The Spirit of '96: States & the Implementation of Temporary Assistance for Needy Families

by

Vincent A. Fusaro

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Doctoral Committee:

Professor Vincent L. Hutchings, Co-chair
Associate Professor H. Luke Shaefer, Co-chair
Professor Sandra K. Danziger
Professor Charles R. Shipan

Vincent A. Fusaro
vafusaro@umich.edu
ORCID iD: 0000-0002-2238-4434

This dissertation is dedicated to Celia Grace Fusaro, for bringing unfathomable joy to life and for all the times I wish I was playing with you instead of writing.

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CHAPTER I

Introduction

It has been over twenty years since passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), the bill commonly called welfare reform that created Temporary Assistance for Needy Families (TANF) and ended Aid to Families with Dependent Children (AFDC). PRWORA represented one of the largest shifts in the American welfare state since the 1960s-era War on Poverty. In contrast to the New Deal and the War on Poverty—both of which greatly expanded services to low-income individuals, families, and communities—PRWORA was a retraction in supports for the poor. "Welfare" was no longer an entitlement to cash benefits for eligible families. Instead, material support was tied to work requirements and time limits. Beneficiaries in violation of behavioral requirements were subject to sanctions. TANF also provided states with extensive discretion. In contrast to its predecessor programs, which had unlimited federal matches of state expenses, TANF is structured as a federal block grant with a required state Maintenance of Effort (MOE) contribution. This design allows states to, within broad guidelines, set their own time limits, requirements, and non-compliance penalties for cash assistance recipients. Unsurprisingly, welfare in the wake of reform received much scrutiny from academics and other policy analysts, and a great deal of attention was paid to state variation in TANF cash assistance program implementation. States also, however, have flexibility over the use of TANF resources, and only approximately one-

quarter of all TANF expenditures are now directed to traditional cash assistance. Even combining work supports, services, and child care with cash assistance—generally considered the core of the program—only accounts for approximately half of expenditures. Further, resources that are directed to social services and child care need not be used in support of cash assistance beneficiaries or former beneficiaries. There is, then, a mismatch between knowledge about state TANF implementation and its current form.

TANF is is not a cash assistance program, but is rather a funding stream states partially use for cash assistance and work supports (Falk, 2013). The distinction is not merely semantic; understanding TANF's true nature is important for identifying the consequences of welfare reform. As shown in Figure 1.1, overall TANF spending has declined only modestly since the early 2000s. The value of the federal grant, though, has fallen by approximately one-third due to the changing value of the dollar. States have contributed additional MOE, in nominal dollars, over time, as doing so adjusts some of their other requirements. Figure 1.2 presents the mix of federal and state funds spent under TANF in constant dollars—while the general trend in the federal contribution to TANF is a decline since the mid-2000s, state MOE spending has, with some comparatively small increases and decreases, generally hovered around $15 billion in 2014 U.S. dollars. MOE need not be new programming. The state can simply count existing effort as MOE so long as it addresses TANF's extremely broad goals in some way (Schott & Floyd, 2017). It is relatively easy, then, for states to exceed their MOE requirement, and the rate of decline in overall spending is therefore slower than would otherwise be expected.

The activities justified under the umbrella of TANF have changed dramatically since the initial phase of reform. Figure 1.3 presents the proportion of TANF resources devoted to various expenditure categories since 1998. Effort directed to cash assistance, in particular, has declined markedly. After an initial, sharp increase in the early years of TANF, expenditures on work, supportive services, and childcare have also declined. These patterns vary widely by state. Map 1.1 shows the proportion of TANF resources

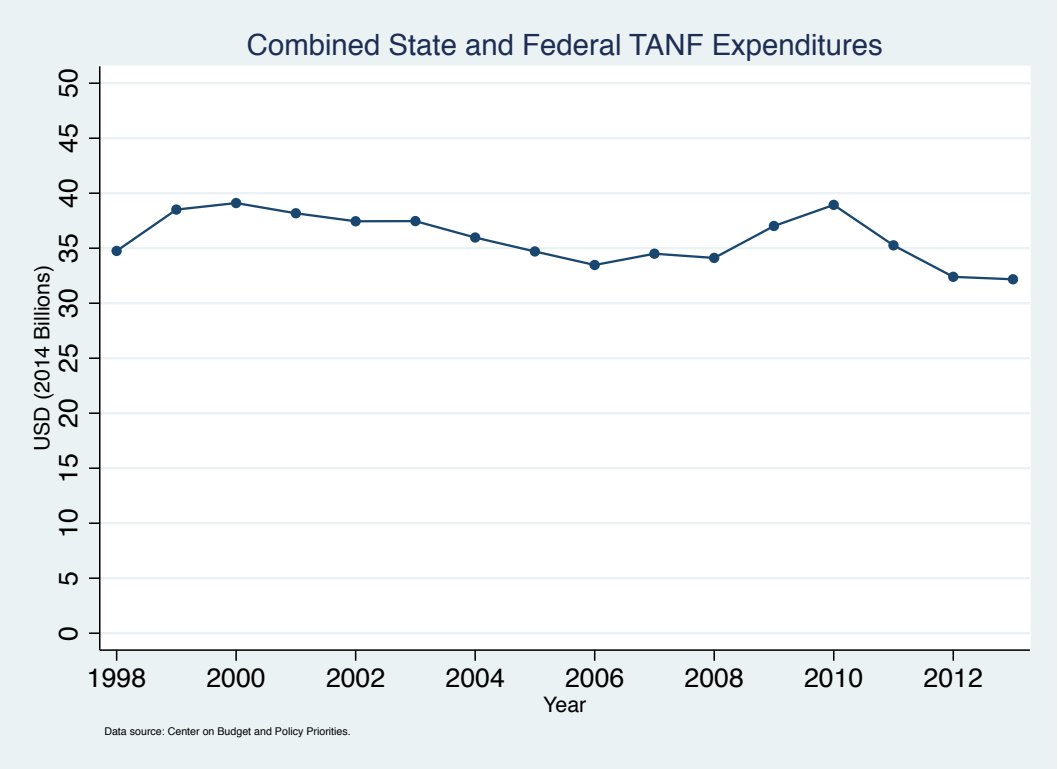


Figure 1.1: Total TANF spending, 1998-2013.

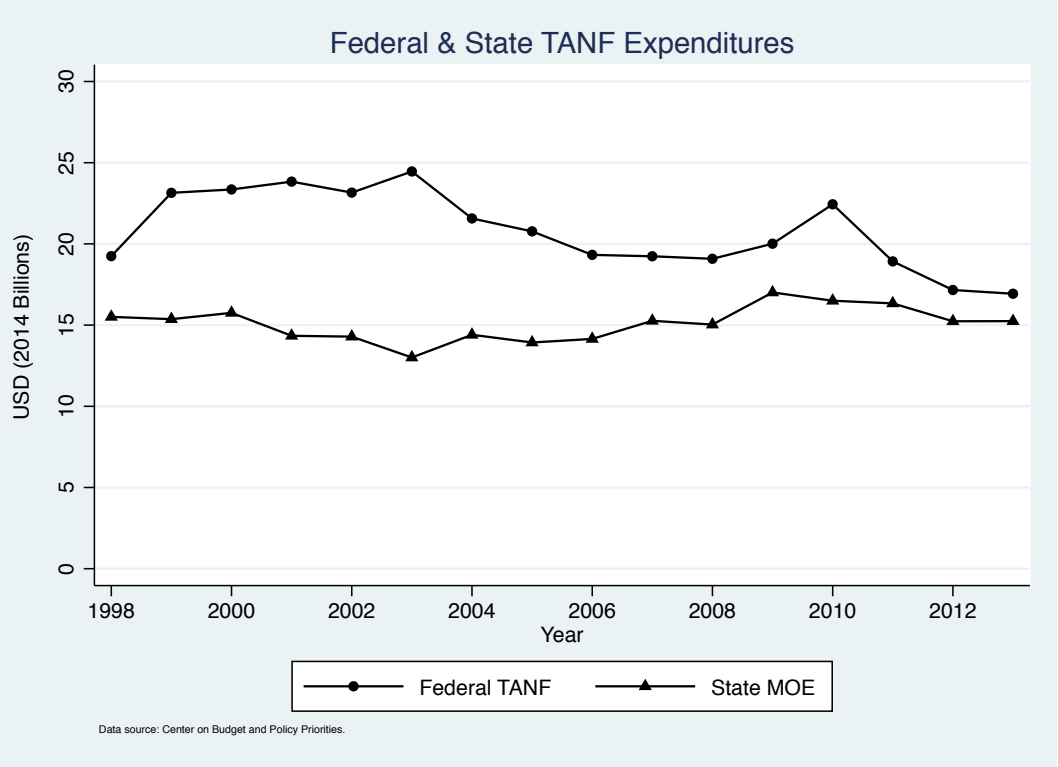


Figure 1.2: Federal and state contributions to TANF, 1998-2013.

in each state devoted to cash assistance in the year 2013. It ranges from as little as 7% in Illinois to as much as 52% in Maine. Map 1.2 presents state differences in change in cash assistance effort over time, from a 93% decrease in Illinois to a very slight increase (3%) in Virginia from 1998 to 2013[1]. Treating TANF as a funding stream presents heretofore unaddressed questions in welfare scholarship. What explains state differences in cash assistance effort and changes in cash assistance effort? Do these trends matter for low-income families? Considering these and related questions better aligns TANF scholarship, which overwhelmingly examines cash assistance rules, requirements, and supports, with the contemporary form of welfare.

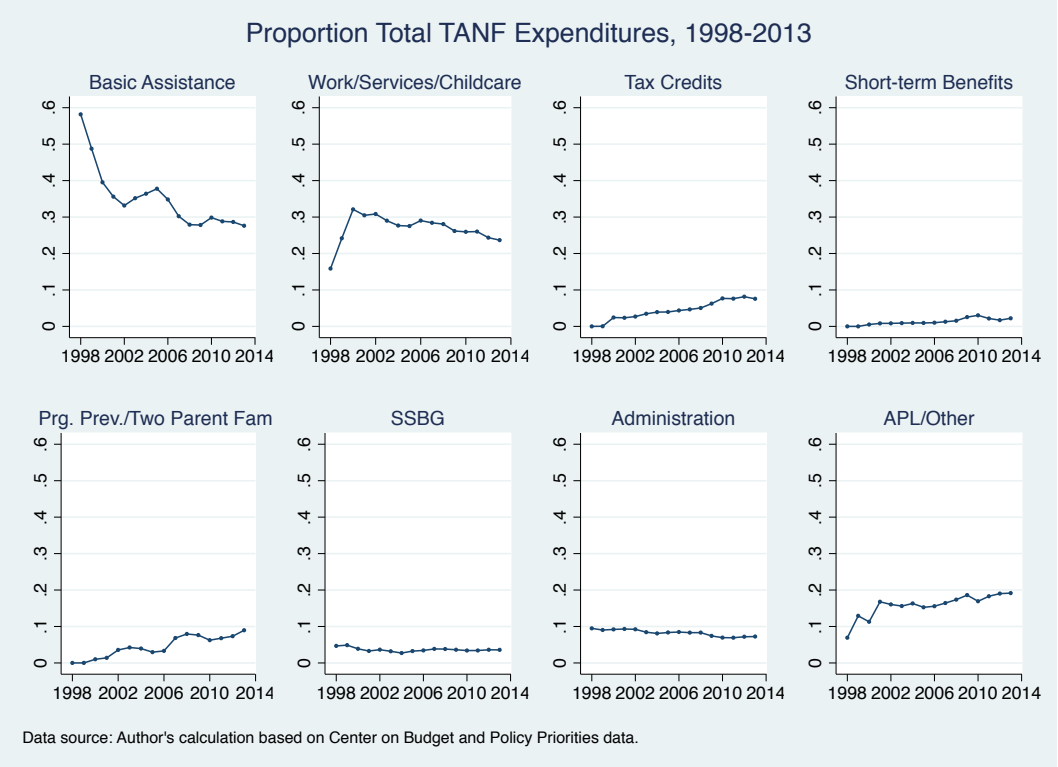
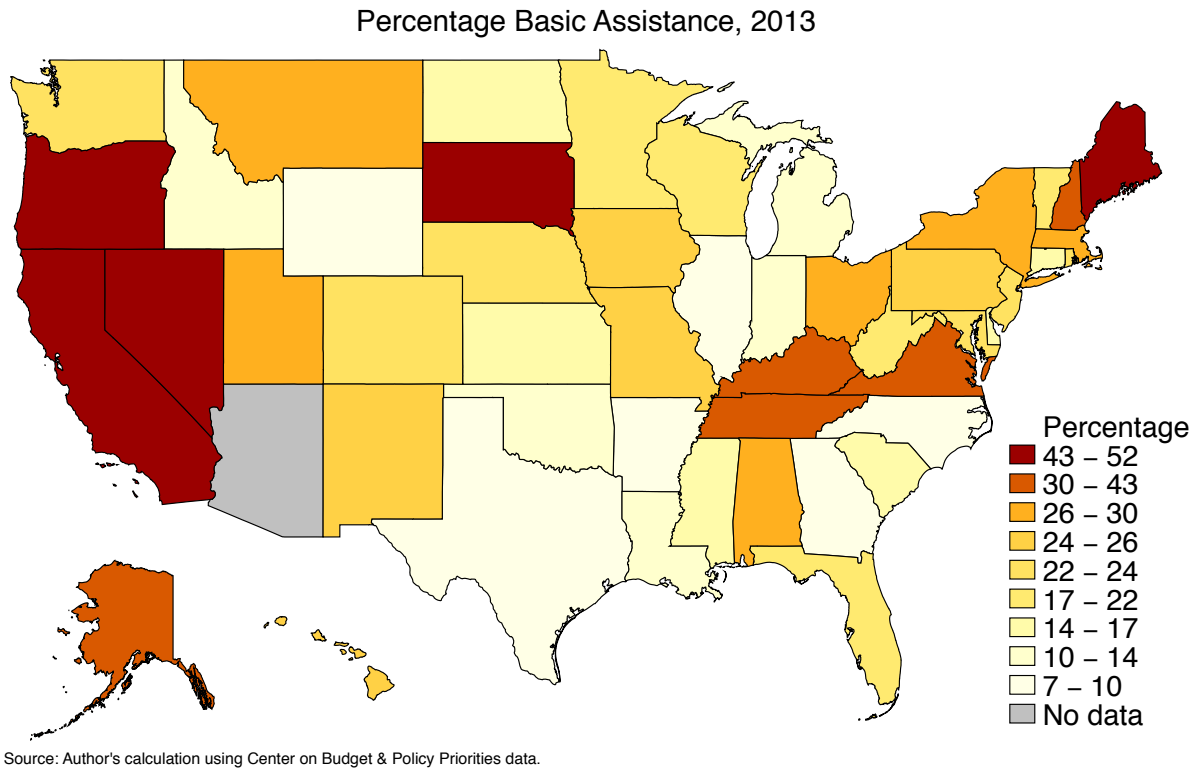
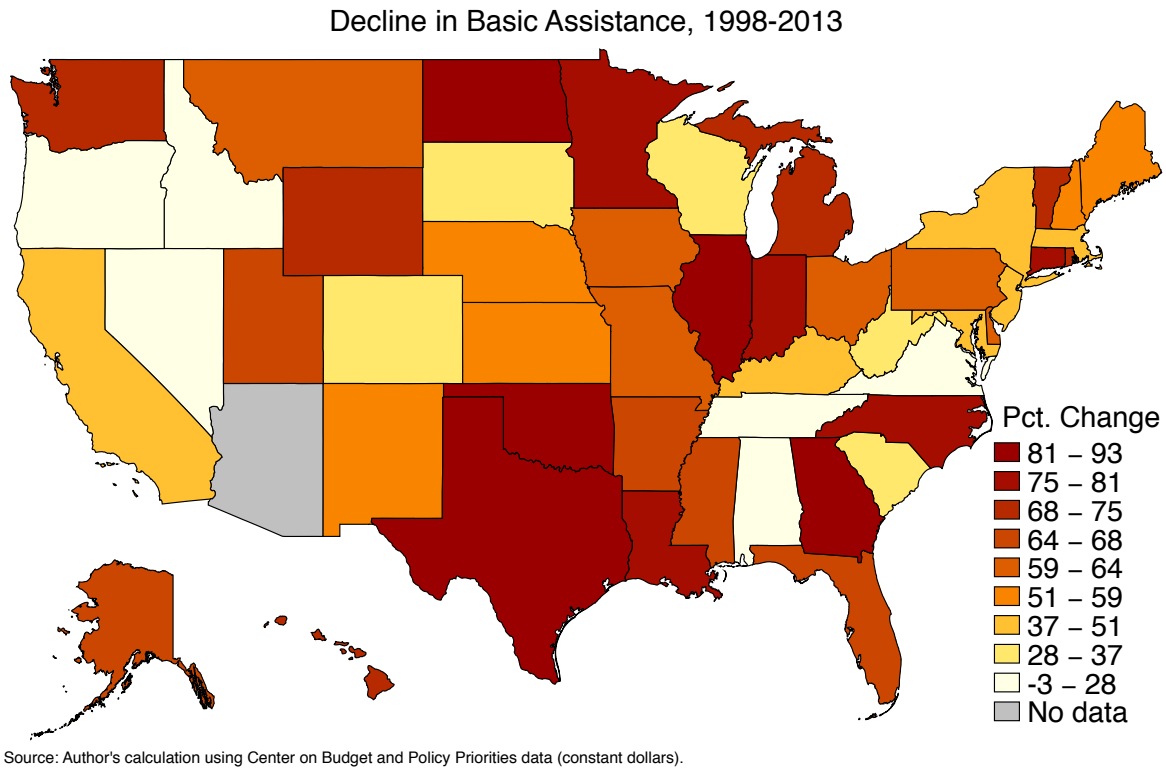


Figure 1.3: Categorical TANF allocations as proportion of overall spending, 1998-2013.

[1] Arizona is missing in both maps, as its reported expenditure on basic assistance in 2013 was a negative value, a product of state accounting practices discussed elsewhere in this dissertation.



Map 1.1: Percentage of TANF resources used for basic assistance by state, 2013.



Map 1.2: Percentage decline in state use of TANF resources for basic assistance, 1998-2013.

Research Questions & Dissertation Structure

I address three distinct but related questions in this dissertation. First, what state-level factors explain differences in emphasis on cash assistance and movement away from cash assistance under TANF? Second, what are the state-level correlates of alternative uses of TANF funds? Finally, how has the movement away from cash assistance under TANF affected the well-being of low-income families? Each question is addressed in a separate chapter. In Chapter 2 I use growth curve models to assess predictors of state basic assistance expenditures and change in basic assistance expenditures under TANF. Chapter 3 evaluates covariates of categorical state TANF spending from the year 2000 to 2013 using multilevel linear models and point-in-time logistic regression models. Finally, in Chapter 4, I use Current Population Survey Food Security Supplement (CPS-FSS) data to examine the relationship between the decline of cash assistance and two outcomes with respect to the well-being of low-income families with children—food insecurity and employment. I conclude the dissertation with a chapter reiterating the main themes from the three empirical studies, connect them into a set of common findings, and discuss implications for social policy and social work. The three empirical chapters are structured as stand-alone papers, but taken together address key implications of TANF treated as a flexible funding stream.

The Centrality of Race

In Chapters 2 and 3, I pay particular attention to the role of racial politics in state welfare policy, as race has long shaped the American response to economic hardship (Lieberman, 1998; Soss, Fording, & Schram, 2011; Ward, 2005). The earliest attempts at economic protection for economically vulnerable families were state-level mother's pension programs, primarily targeted to widowed mothers; states generally excluded black families from participation (Skocpol, 1992; Ward, 2005). The first federal "welfare" pro-

gram in the form of cash redistribution to poor families came through the Social Security Act of 1935, which created Aid to Dependent Children (ADC) (Weaver, 2000). Under ADC and its successor program, Aid to Families with Dependent Children (AFDC), the federal government partially matched state expenses in the administration of relief; the programs were largely a state and local matter, however, and states, counties, and cities again used their discretion to limit participation by non-whites (Lieberman, 1998). AFDC expanded to a de facto categorical entitlement in the late 1960s through the welfare rights and civil rights movements (Katz, 1989; Ward, 2005; Weaver, 2000), though states with larger black populations continued to offer less generous benefits and less extensive economic protections (Orr, 1976; Tropman & Gordon, 1978). The politics leading up to welfare reform were also entangled with the politics of race. The stereotyped image of the "welfare queen," implicitly identified as black, was often invoked in political rhetoric in the latter years of AFDC (Hancock, 2004). Media images of poverty likewise disproportionately featured families of color (Clawson & Trice, 2000; Gilens, 1999). This trend has continued even after reform (van Doorn, 2015), possibly explaining why negative opinions of "welfare" have remained durable to the extensive policy changes of reform (Dyck & Hussey, 2008; Soss & Schram, 2007).

Unsurprisingly given this context, the politics of race was evident in the implementation of reform, particularly at the state level. States in which racial/ethnic minorities, particularly blacks, make up a larger proportion of the population or the welfare caseload tended to design more stringent and punitive cash assistance programs (Fellowes & Rowe, 2004; Soss et al., 2011; Soss, Schram, Vartanian, & O'Brien, 2001). This initial wave of scholarship also found a relationship between proportion of the population or caseload identifying as Hispanic/Latino and state welfare policy choices, but less consistently than for blacks. A second wave of studies added some nuance to these findings, examining moderating factors such as representation by women and racial/ethnic minorities in state legislatures (Preuhs, 2007; Reingold & Smith, 2012). While perhaps

expected, the demographics-policy choice connection presents some puzzles. Why, for example, are race-based geographic patterns seen in some social welfare programs and not others (e.g., there is no evidence that the State Children's Health Insurance Program follows a race-based pattern) (Howard, 2007)?

Alesina, Glaeser, and Sacerdote (2001) propose that racism explains the seemingly underdeveloped American welfare state, with majority group racial attitudes suppressing the expected demand for redistribution[2]. Such explanations provide no insight into state differences, however, and again fail to explain why the influence of racial politics is evident in some redistributive programs and not others[3]. Social constructionist theories of social policy, which hold that policy designs are related to perceptions of the target population and the political power of the target population (Schneider & Ingram, 1993), provide a broad framework for understanding state policy variation but do not explain why race matters so strongly to welfare. Finally, at the individual level attitudes toward welfare and racial attitudes co-vary among whites (Dyck & Hussey, 2008; Gilens, 1999; Kinder & Sanders, 1996). How these micro-level processes influence macro-level policy making requires further explanation, though.

Soss et al. (2011) provide a theoretical framework, the Racial Classification Model (RCM), that links several of these disparate streams of theory and scholarship. The RCM posits that policymakers, whether federal elected officials or street-level caseworkers, require shortcuts for decision-making. In the case of social policy, the shortcut is a perception of the target population. When race is a salient aspect of the policy area, stereotypes of the racial group can serve as the heuristic device. Essentially, to borrow terminology from Baumgartner and Jones (2009), racial stereotypes become part of the policy image, or "how a policy is understood and discussed (p. 25)." The contrast between stereotyped

[2]Scholars such as Howard (2007), Garfinkel, Rainwater, and Smeeding (2010), and Mettler (2011) have argued that the U.S. welfare state is not actually underdeveloped. Rather, it operates in ways—such as through tax credits or services—that are more hidden than direct cash benefits. These alternative supports also often benefit groups other than the seriously economically disadvantaged.

[3]Winter (2006) suggests it is *not* the case that such programs are not influenced by race-based politics. Rather, their target populations are perceived as white.

behaviors of the perceived target group and policy intent then influences the nature of the policy solution, further conditioned on how deeply stereotypes are held. Applied to state welfare policy, race becomes increasingly salient when a racial minority group makes up a larger portion of the population/caseload in a state. Negative stereotypes of blacks include notions such as poor work ethic and lack of trustworthiness, thus producing more punitive policy in states with large black populations.

Chapters 2 and 3 consider the implications of racial politics to TANF-as-funding stream. Previous scholarship has demonstrated a relationship between overall TANF effort and population demographics, with states with larger proportions of blacks devoting fewer financial resources to TANF (Matsubayashi & Rocha, 2011; Rodgers & Tedin, 2006), but fails to examine patterns *within* TANF outlays. Even these studies of overall expenditures are few in number, the bulk of TANF policy choice/race scholarship focusing on cash assistance rules and requirements (Fellowes & Rowe, 2004; Soss et al., 2011, 2001). It is reasonable to expect that race-based politics might influence state TANF expenditures, though. First, if cash assistance use is associated with negative racial stereotypes, states in which race is salient to policymaking have the opportunity to de-emphasize cash assistance, whether through more restrictive rules and less generous benefits or through shifting of resources to other priorities. When race is salient to state welfare policymaking, then, fewer resources should be devoted to cash assistance. These states might also have moved away from cash assistance as a focus of TANF more quickly than other states. Beyond cash assistance, states also have the opportunity to use TANF resources for a variety of purposes. States in which race is salient could use resources in distinct ways, such as devoting more effort to corrective social programming such as two-parent family formation and out-of-wedlock pregnancy prevention. In addressing these questions, I measure racial salience with respect to blacks using a measure of white racial attitudes rather than caseload or population demographics. The logic underlying this choice and procedures for implementing it are discussed under the forthcoming "Contributions to

Social Science" section.

Summary of Findings

The chief finding of this dissertation is that the politics of race still influences Temporary Assistance for Needy Families even when treated as a funding stream. As demonstrated in Chapter 2 and Chapter 3, states devote less financial effort to traditional cash assistance when a greater proportion of whites in that state express negative views of blacks. Conversely, however, I find no evidence that the salience of race to politics is related to the rate at which states moved away from cash assistance. The influence of racial politics in early state decision-making, however, is essentially path dependent, making it more likely that the cross-sectional patterns with respect to race are durable across time. In Chapter 2, I also find preliminary evidence of an interaction between racial salience and government ideology; more liberal governments devote more effort to cash assistance, but only when negative racial views among whites are less common. When negative stereotypes of blacks are more common among whites, liberalism exerts no effect and even begins to have a negative relationship with basic assistance expenditures. The empirical support for this proposition is inconsistent, however, and it should be taken as suggestive only. Beyond the influence of racial politics, Chapter 2 also finds that states under greater fiscal stress devote fewer resources to basic cash assistance. Chapter 3, while reinforcing the race/basic assistance finding, does not generally find any distinct and consistent patterns to alternative uses of TANF funds. Racial politics is related to an increased probability of a state using TANF resources for pregnancy prevention and two-parent family formation. When spending patterns are examined as dollar amounts rather than as percentages, then the proportion of the population identifying as Evangelical Christian is also related to several categories of spending. Other relationships appear only sporadically.

In Chapter 4, I find that the decline of cash assistance since welfare reform has ad-

versely affected low-income families. Measuring state-year cash assistance coverage as the ratio of families receiving cash benefits to families in poverty, I use a within-state estimator to show that declines in coverage are related to increases in the probability of a household experiencing food insecurity, a form of material hardship. This relationship is particularly strong for households headed by a single female and with no other adults present, the most economically vulnerable household configuration. It is, though, most equivocal for similar households with other adults. Conversely, changes in state welfare coverage generally bear no relationship to the probability of a household having an employed adult in the unit. The sole exception is, again, households headed by a single female but with other adults present. The relationship was only found using one method of operationalizing coverage (holding the denominator constant using an average of families in poverty across the study period), however.

Contributions to Social Science

This dissertation makes contributions to both social science and social work. Most importantly, it is one of few studies to treat TANF as a funding stream rather than a cash assistance program. A handful of inquiries have examined predictors of overall state TANF effort (Matsubayashi & Rocha, 2011; Rodgers & Tedin, 2006), but examining only overall effort ignores the differences in distribution of resources both within states and over time. TANF in the year 2000, for example, contained a very different package of programs compared to TANF in 2013; in the earlier year, cash benefits still dominated TANF spending, while by 2013 traditional "welfare" comprised a much smaller segment of overall state effort. These studies have additional limitations. Rodgers and Tedin (2006), for example, consider only the year 2002 in their analyses, while Matsubayashi and Rocha (2011) pool the initial years of TANF with the latter years of AFDC. While this procedure produces a very large sample of state-year observations, it ignores the important structural differences between the two programs. Lambright and Allard (2004) do examine categorical

TANF expenditures, but only for a single spending priority (transfers from TANF to the Social Services Block Grant) and only in the initial years of TANF. Non-academic policy analysis organizations have investigated state TANF priorities beyond cash assistance (Hahn, Golden, & Stanczyk, 2012; Schott, Pavetti, & Finch, 2012), but analysis is limited to description. Finally, Allard (2009) considers the consequences of a transition from cash benefits to services for low-income individuals and families, but does not examine differences across states in the package of services justified under TANF. This dissertation, particularly Chapter 2 and Chapter 3, therefore provides an important corrective to existing state welfare scholarship, which focuses overwhelmingly on state cash assistance program design (Fellowes & Rowe, 2004; Reingold & Smith, 2012; Soss et al., 2011, 2001), and addresses gaps in those studies of TANF expenditures that have been conducted.

The dissertation also provides a methodological advance on previous methods for operationalizing the salience of race to state politics. For the salience of blacks to state welfare politics, I use a measure based on the estimated proportion of whites in a state holding extremely negative stereotypes of blacks; this variable is created using multilevel regression with post-stratification (MRP) and the 2008 National Annenberg Election Survey online sample (Annenberg Public Policy Center, 2010)[4][5]. Most earlier studies use demographics of either the state or the cash assistance caseload to measure racial salience in policymaking (Fellowes & Rowe, 2004; Orr, 1976; Soss et al., 2011, 2001; Tropman & Gordon, 1978). Within Soss et al.'s (2011) Racial Classification Model, racial attitudes are central. The distance between the perceived behavior of a target population and desired

[4]The 2008 NAES telephone survey has an extremely large sample size sufficient for directly disaggregating by state (n=57,967). The online module, which contains the racial affect items, has a smaller but still quite large sample (n=20,052 in its largest wave). I use multi-level regression with post-stratification rather than directly disaggregating because I am interested in a subgroup—non-Hispanic whites—and the within-state samples for low-population states become considerably smaller. Results are similar using a disaggregation-based rather than a model-based measure of attitudes, but the model-based procedure compensates for small-state data issues and allows indirect inclusion of racial context in the state expenditure studies.

[5]A comparable data source is not available for white non-Hispanic attitudes toward Hispanics. For salience of Hispanics to state welfare politics, I use the proportion of the cash assistance caseload identifying as Hispanic.

policy outcomes is partly a product of racial group stereotypes. The more negative the stereotypes of the assumed target population, when based on racialized images, the more stringent and corrective the policy. However, other scholarship suggests the policy image of "welfare" is typically constructed such that clients are perceived as black (Gilens, 1999; Hancock, 2004). If so, it is reasonable that the depth with which stereotypes are held—particularly among whites—is an equally valid measure of racial salience[6]. The only previous study to examine the link between welfare policy and white racial attitudes was Johnson's (2001) examination of benefit levels in the latter years of AFDC. The author used structural equation modeling to simultaneously consider the relationships between racial context, racial attitudes, and welfare policy. Similar approaches have not been used to examine TANF, so I provide an update to this branch of welfare scholarship.

This study also provides insight into processes of social stratification. Social theorists such as Massey (2007) and Tilly (1998) suggest that many of the most long-standing social and economic inequalities are grounded in group categorizations. In Tilly's (1998) view, social inequalities become institutionalized when a dominant social group gains advantages from exploiting a paired social group (e.g., male/female; white/black). Successful organizational adaptations of practices that extract value from the outgroup are then replicated in other organizations[7], reproducing and sustaining inequality. Massey (2007), using a similar framework, further links individual-level psychology on stereotyping to macro-level social and political phenomena to better understand the process of grouping. These concepts share much in common with social constructionism/policy design theory (Schneider & Ingram, 1993; Schneider & Sidney, 2009) and the Racial Classification Model (Soss et al., 2011). Indeed, such theories can be seen as providing ad-

[6]The argument here is not that the Racial Classification Model (Soss et al., 2011) is wrong. Rather, the RCM provides a broad framework. Within it, when applied to state policymaking rather than, for example, a caseworker dealing with an individual client, the target population image might be influenced not only by within-state demographic considerations but also broader constructions of "welfare recipients."

[7]As a sociologist, Tilly (1998) refers to isomorphism as an organizational phenomenon, but considers "organizations" to be a broad category. It includes governments, with Tilly stating "governments imitate other governments' forms (p. 195)." There is much overlap, then, between Tilly's (1998) mechanism of emulation and the study of policy diffusion within political science.

ditional causal description *within* the frameworks proposed by Massey (2007) and Tilly (1998). Chapters 2 and 3 of this dissertation follow in a similar vein, and offer a view into the means by which some groups are disadvantaged through social policy.

Finally, Chapter 4 contributes to the literature in economics, public policy, and related fields evaluating the consequences of welfare reform. The first decade of reform understandably generated a large body of literature examining the effectiveness of both reform broadly and of specific state policy designs (see Grogger and Karoly (2005) for an extensive review of this initial wave of studies placed into an overall economic model of work and welfare participation). In many ways, reform can be viewed as a success, with increases in single-mother employment and decreases in child poverty (R. Blank, 2002; Lichter & Crowley, 2004; Rodgers, 2006). TANF at present, however, is a very different program from its early years, and given the incentives for states to keep cash assistance caseloads low with no inducement to respond to either household-level hardship or general economic downturns, it is reasonable to question whether the deterioration of the safety net has increased the risk of harm to vulnerable families.

While, as discussed in the forthcoming section, Chapter 4 can be seen as a straightforward policy evaluation, I also approach it from a perspective of social theory. TANF is often considered, through its embodiment of "workfare," the hallmark of an increased emphasis on market and market-like approaches to public functions[8](Ridzi, 2009; Soss et al., 2011; Steeger & Roy, 2010; Wacquant, 2009). This trend, sometimes termed neoliberalism[9], is evident in TANF's reliance on private labor markets for poverty relief and enforced work (the latter facet termed "neoliberal paternalism" by Soss et al. (2011)). Under this framework, the availability of cash benefits is seen as devaluing labor by providing an alternative to work participation. Reduced work effort then increases the risk of hard-

[8]Welfare reform also indicated a turn toward the use of corrective and punitive tools in public policy, though that movement is a secondary consideration in this study (Soss et al., 2011; Wacquant, 2009).

[9]The term "neoliberalism" has come under criticism as poorly defined and more a pejorative than a description of a specific social phenomenon (Boas & Gans-Morse, 2009). While I do not engage this debate here, the trend toward market-based social policy and enforced participation in private labor markets is a distinct break from the major expansions of anti-poverty policy in the 1930s and 1960s.

ship[10]. I test these presumptions by modeling state-year TANF coverage as a predictor of food insecurity and household employment, examining the implications of a dominant trend in social welfare policymaking that shows little evidence of losing influence[11].

Contributions to Social Work

Social work is unique among the helping professions in explicitly placing individual and community problems in a broader social context. Social policy is so central to shaping that context that social work has even been referred to as "the policy-based profession (Popple & Leighninger, 2011, p. 10)". The *Code of Ethics* of the National Association of Social Workers (2008) states that social workers "... should be aware of the impact of the political arena on practice and should advocate for changes in policy and legislation to improve social conditions in order to meet basic human needs and promote social justice." It further states that "social workers should act to prevent and eliminate domination of, exploitation of, and discrimination against any person, group, or class on the basis of race, ethnicity, national origin, color, sex, sexual orientation, gender identity or expression, age, marital status, political belief, religion, immigration status, or mental or physical disability." TANF-as-funding-stream is relevant for both of these mandates. Chapters 2 and 3 examine the decline of the cash safety net while Chapter 4 considers its consequences; findings are directly related to economic well-being and the ability of households to meet basic needs, particularly for vulnerable populations. Further, the history of welfare in the U.S. is deeply entangled with both explicit and implicit discrimination of racial/ethnic groups, particularly blacks (Lieberman, 1998; Ward, 2005). TANF, long-removed from the Jim Crow era of overt discrimination, features cash assistance rules that follow a race-based pattern at the state level (Fellowes & Rowe, 2004;

[10]The link between emphasis on work effort and stereotypes of blacks may explain the seemingly incongruent blend of laissez-faire and punitive policy under TANF (Soss et al., 2011).

[11]H. Luke Shaefer and Kathryn Edin contributed to Chapter 4 both conceptually and methodologically. Reid Wilson also provided research assistance for this chapter.

Soss et al., 2011, 2001). If such patterns are evident in TANF as a funding stream, it relates to social work's concern with regard to differential treatment of social groups (e.g., if funding patterns follow state racial demographics, then just through geography members of minority groups might have access to very different policies and programs under the auspices of TANF).

If social work's ultimate aim is to improve the material and social well-being of vulnerable populations, then Chapter 4 is also a form of needs assessment, identifying service gaps produced by state differences in cash assistance accessibility. It indicates that increases in household hardship brought on by the decline of the traditional cash safety net are a legitimate cause for concern. This finding in turn suggests social workers should advocate for changes to the welfare state to bolster supports for low-income families, whether through cash or near-cash supports or improved services. While this suggestion applies nationally, it is more imperative in some areas than others, as low-income individuals in different states also differ in the risk of food insecurity (Bartfeld & Dunifon, 2006). Finally, Chapter 4 also suggests that, at least in the current policy and economic environment, cash assistance coverage is generally not related to employment. Employment, however, is strongly related to food security, so efforts to bolster the safety net should not be independent from improved services to help adults in poor households access and succeed in work, nor from efforts to improve working conditions, wages, and employment supports such as childcare.

From a practice perspective, devolution of social policy such as under TANF presents both opportunities and challenges for social workers. Social workers and other human service professionals can intervene in state policymaking systems to advocate on behalf of clients, though it is challenging to present a unified framework for practice given that each state's politics are unique (Hoefer, 2005). State government is more physically accessible than the federal government for many social service professionals, and they are also likely more comfortable intervening at this level. Further, state legislators turn to human

service and grassroots organizations for policy information (Jackson-Elmoore, 2005)[12]. Conversely, however, devolution of social policy by definition means that local political ideology and beliefs influence policy design and implementation (Hasenfeld & Garrow, 2012). Such differences and their overlap with state-level racial politics are the subject of much of the existing TANF scholarship (Fellowes & Rowe, 2004; Soss et al., 2011, 2001) and further exploration of this theme is a major emphasis of Chapter 2 and Chapter 3 in this dissertation.

Many agencies and programs employing social workers might be supported by state funds derived from or justified under TANF. Practically, it is valuable for social workers and members of related professions to understand the politics of these funding streams. Such information could prove useful in an era of strained public budgets. It also, though, identifies an important, under-addressed ethical issue for social workers. Organizations and their clients are essentially in competition for scarce resources under this structure—funds granted to an agency under a state contract are ostensibly moneys that could have been used for direct support. Further, since much of the work justified under TANF is implemented through third party providers, the role of the client shifts from citizen to consumer; the burden is not on the government to provide effective services, but on the individual to find the best product available in the market for social services (Hasenfeld & Garrow, 2012). Placing the impetus on the client to receive benefits via third-party agencies disadvantages some clients, particularly clients of color, when providers are geographically removed from poor communities (Allard, 2009).

[12]The effectiveness of advocacy efforts is almost certainly determined by the partisan and ideological configuration of state government, but there are few, if any, studies that have examined how social workers and other advocates for disadvantaged social groups respond under varying conditions. More practice research is warranted in this area.

Contributions to Social Policy

From the perspective of social policy design, the studies in the dissertation offer lessons both for TANF specifically and for reform of other social welfare programs. In particular, they highlight some of the disadvantages of TANF's policy design, which disincentivizes states from providing a robust safety net while encouraging use of "welfare" resources for miscellaneous other expenses. Flexibility over resource use is not, in the abstract, problematic; local conditions may differ and thus different types of programs may be needed. Devolution can also encourage policy learning, ultimately leading to more efficient identification of solutions to complex problems (Kollman, Miller, & Page, 2000; Shipan & Volden, 2012). TANF, however, contains few incentives for states to use funds for effective programs addressing poverty. For example, state incentives to facilitate employment are easily manipulated through other provisions, and there is no mechanism to guarantee interventions are targeted to those most in need. Placing cash assistance in competition with other programs for scarce resources, meanwhile, limits welfare's ability to be counter-cyclically responsive. Finally, a response to local conditions can be a negative aspect of devolution. Local social biases are themselves a part of the policy environment, and as shown in much existing scholarship and in Chapter 2 and Chapter 3 of this dissertation, the influence of racial politics is evident in state welfare policy. Proposals for reforms to other programs, such as Medicaid and the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamps Program), have suggested TANF's replacement of AFDC as a model. The studies in this dissertation add to the evidence suggesting caution in any such efforts. Rather than merely emulating PRWORA, they should also take into account its cautionary lessons.

Chapter 4 contributes to the literature on the evaluation of TANF as well as scholarship on food security. Previous research linking food insecurity to state policy choices has tended to focus on programs directly related to food, such as the Supplemental Nutrition Assistance Program (SNAP)/Food Stamps or the National School Lunch Program

(Bartfeld & Dunifon, 2006; Ratcliffe, McKernan, & Zhang, 2011). In Chapter 4, I show that the availability of direct cash supports is related to the probability of a household experiencing food hardship. During the debate over welfare reform, Senator Daniel Patrick Moynihan, himself previously an ardent critic of AFDC, dramatically warned that, in the aftermath of the then-proposed changes, "you shall find children sleeping on grates (Toner, 1995)." While perhaps not as visible as Moynihan feared, this study provides some vindication for his view. The danger of hardship for vulnerable families has increased as the cash safety net has declined and, while research has not attributed such trends directly to welfare reform, there have been increases in both deep poverty (Edin & Shaefer, 2015) and public school student homelessness (Ingram, Bridgeland, Reed, & Atwell, 2016) in the TANF era. Chapter 4 also suggests that pitting welfare against work in public policy may be misguided, that there is a place for both and a re-envisioning of the balance between the two is in order. Work is, for many reasons, superior to simply receiving public support, but punitive and restrictive welfare policy is not necessarily the solution to increased labor market participation.

It must be emphasized that, overall, the argument presented here is *not* that a return to AFDC is desirable. Traditional "welfare" prior to reform had a host of very real problems. Under AFDC, for instance, it was not uncommon for recipients to—in violation of program rules—work under-the-table to supplement meager benefits (Edin & Lein, 1997). Stigma around welfare use made participation problematic (R. Moffitt, 1981). AFDC participation, through restrictive rules and supervisory bureaucracy, even undermined participants' sense of political efficacy, leading to questions of such a program's role and appropriateness in a democratic society (Soss, 1999). These practical shortcomings are in addition to its dislike by actors in almost all political corners (Ellwood, 1988). Nonetheless, there are now two decades of lessons on the successes and the challenges of using the welfare state to support work and of giving states extensive fiscal discretion over the provision of aid and services. Some individuals and families have been left out of the

gains celebrated at the outset of reform, and there are legitimate concerns about TANF's ability to act as a safety net (S. K. Danziger, Danziger, Seefeldt, & Shaefer, 2016). At the very least, this dissertation and other research suggest updates based on learning from the initial decades of reform could prove fruitful in bolstering the well-being of low-income families.

Conclusion

Most Temporary Assistance for Needy Families research examines cash assistance rules and requirements or activities and services supporting cash assistance participants. This focus is understandable, as TANF, through welfare reform, replaced a straightforward cash assistance program in Aid to Families with Dependent Children. While not immediately evident in its early years, however, TANF is not merely a more restrictive and devolved version of AFDC. At present, only around one-half of combined state and federal TANF resources are devoted to cash assistance, child care, and work activities/supportive services. States have wide leeway over how program funds are used and a set of incentives for movement away from the provision of cash benefits, and those services that are provided do not have to be directed to cash assistance beneficiaries or welfare leavers. TANF is therefore best thought of as a funding stream states partially use for cash assistance (Falk, 2013). Given that the bulk of TANF resources are now directed to other areas, there is a mismatch between the reality of the program and the academic literature scrutinizing it.

This dissertation contains three studies intended to re-align scholarly examination of welfare in the United States. The first examines state movement away from cash assistance, the second correlates of state expenditure priorities, and the final study the consequences for low-income families of the restricted availability of cash benefits. In the first two studies, I find that the long-standing connection between race-oriented politics and state welfare policy is evident under TANF when treated as a funding stream; states in

which a larger proportion of whites hold negative views of blacks tend to devote fewer resources to basic assistance and more to other priorities. Additionally, the first study indicates that states in fiscal distress devote fewer resources to basic assistance, raising concerns about TANF's ability to be economically countercyclical. The third study indicates that the erosion of cash assistance coverage has increased the risk of material hardship for low-income households, particularly the most economically vulnerable (those headed by a single female with no other adults present). Conversely, coverage declines are generally not related to the probability of a household having an employed adult present.

In concert, the three studies identify a number of shortcomings of TANF. Findings contribute to bodies of scholarship in political science, sociology, economics, social work, and public policy. The investigations also provide guidance for action. The safety net for the most economically disadvantaged Americans, as currently constituted, reinforces rather than overcomes existing forms of stratification, discourages states from the provision of a safety net, and has increased the risk of harm to vulnerable families. Welfare reform certainly had some successes, and an overhaul of AFDC was warranted. TANF's limitations, however, have become increasingly obvious with the passage of time. The studies in this dissertation call for renewed TANF scholarship, policy advocacy by social workers and other interested parties on behalf of the economically disadvantaged, and action by policymakers to restructure the increasingly precarious support available to disadvantaged families. These actions may prove vital in the changing world of low-wage work, which is increasingly tenuous and unable to uphold the implied social contract of welfare reform—that forgoing public support and engaging in work will lead families to stability and prosperity.

CHAPTER II

States and the End of Cash Assistance: Race, Politics & Policy Structure Under Temporary Assistance for Needy Families

Abstract

I use multi-level growth models to examine determinants of state cash assistance financial effort under Temporary Assistance for Needy Families ("welfare") from 1998 to 2013, finding that the degree of racial stereotyping of blacks among whites in a state is predictive of spending. Additionally, there is suggestive evidence more liberal government is associated with greater cash assistance effort, but only when negative racial affect among whites is less common. This finding is inconsistent across models, however. Finally, states in fiscal distress direct more resources to priorities other than basic assistance, calling TANF's ability to act as a countercyclical safety net into question.

Introduction

The Temporary Assistance for Needy Families (TANF; "welfare") program created by the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA; "welfare reform") provides state policymakers broad discretion over program design. This

flexibility led to variation in cash assistance program rules across states, such as the length of time limits imposed, benefit caps based on family size, and severity of sanctions for rules violations. The program also affords states flexibility over the use of program resources. TANF funds can be directed to any purpose consistent with the broad goals of welfare reform—ending dependence on public support through work and marriage, promoting two-parent families, reducing out-of-wedlock births, and aiding care of children in their own homes (Falk, 2013). Given these broad mandates, only about one-quarter of state and federal TANF funds were, as of 2013, devoted to basic cash assistance, a near inversion of spending early in the program's history. TANF includes formal and informal incentives for states to direct resources to alternative priorities, but emphasis on cash assistance and the rate of decline in cash assistance vary widely.

Few studies of state TANF implementation have extended beyond the rules and requirements for cash assistance beneficiaries, creating a mismatch between scholarly understanding of welfare and its current form. I address this gap by examining the determinants of state emphasis on cash assistance as an expenditure priority under TANF (1998-2013), estimating a series of multilevel growth curve models evaluating the relationship between state cash assistance effort and a number of political, social, and economic factors. I pay particular attention to the role of racial politics in welfare implementation. In contrast to previous studies, which use state or caseload demographics to operationalize the salience of race, I use a state level measure of the prevalence of negative stereotypes of blacks among whites constructed using multi-level regression with post-stratification (MRP) on the 2008 National Annenberg Election Survey dataset (Annenberg Public Policy Center, 2010).

I find that states in which whites more commonly express negative stereotypes of blacks devote fewer resources to basic cash assistance, both as a per-family-in-poverty expenditure and as a percentage of total state TANF effort. Racial politics may also moderate the expected influence of government ideology. More liberal governments devote

more resources to basic assistance, but the strength of this relationship declines as white attitudes toward blacks become more negative. The evidence supporting this proposition, however, is inconsistent and fairly weak, and should be taken as suggestive only. Prevailing white racial attitudes have not influenced the rate at which states moved away from cash assistance. Rather, the highly racialized politics of welfare reform are essentially path dependent, with early state decisions and federal policy design shaping current implementation. Beyond the role of racial politics, states under budgetary stress divert TANF funds away from cash assistance, providing evidence for a long-speculated but untested relationship between fiscal health and welfare[1]. This study suggests proposals to reform other programs modeled on TANF merit caution, as the flexibility afforded to states reinforces pre-existing inequalities and tempers counter-cyclical responsiveness.

Background

Welfare Reform & TANF Policy Structure

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) radically restructured economic relief for low-income families in the United States. It replaced the Aid to Families with Dependent Children (AFDC) program, which had its roots in the Social Security Act of 1935, with Temporary Assistance for Needy Families. AFDC was administered by the states with the federal government partially matching state expenses. It provided a direct cash benefit to low-income families, primarily those headed by a single mother. Public and elite dissatisfaction with AFDC was high; it was perceived as disincentivizing work, facilitating family breakdown and out-of-wedlock birth, and fostering a culture of permissiveness that undermined development of prosocial behaviors (Ellwood, 1988; Lieberman, 1998; Mead, 1986; Teles, 1996; Weaver, 2000). Welfare politics was also continually entangled with racial politics—the typical welfare

[1] See, however, analyses in Chapter 3 challenging this conclusion. Supplementary analyses in Appendix D provide a preliminary attempt at rectifying discrepancies.

client was often perceived as a black single mother, influencing both political rhetoric and policymaking (Gilens, 1999; Hancock, 2004).

Despite several earlier attempts, it was not until the mid-1990s that a window for a comprehensive overhaul of AFDC emerged. Democratic president Bill Clinton, who campaigned on a promise to "end welfare as we know it," and an ascendant Republican Congress elected on a platform of government reform succeeded in passing PROWRA in 1996. In contrast to AFDC, TANF applied time limits and work and other behavioral requirements to cash benefit recipients (Weaver, 2000). TANF's structure is also quite different from AFDC. In its later years, states had control over AFDC benefit levels, but other rules were set federally[2]. After reform, states were free, within broad guidelines, to adopt their own time limits, work requirements, sanctions for rules violations, and family caps (number of children in the household above which no additional benefit is provided). Under AFDC, the federal government and the states shared expenditures with no limit—whatever amount the state spent, the federal government matched at a pre-set rate (the amount varied by specific uses of funds, but the bulk of the match used the state's Medicaid reimbursement rate). In contrast, TANF is administered as a fixed block grant the states partially match through a "maintenance-of-effort" (MOE) contribution.

The value of the federal grant is calculated as a percentage of state AFDC expenditures in the early 1990s. This base grant amount has never been updated, nor has it ever been adjusted for inflation. It also does not vary with economic conditions—a state receives the same grant whether it is experiencing an economic boom or an economic downturn. States with historically low levels of support for the economically disadvantaged or with large population shifts are also eligible for supplemental grants, but these additional funds have not been administered since 2011. A federal emergency fund is available to bolster state expenditures during down economic times, adding up to 20% to a state's

[2]In a prelude to reform, the Reagan administration waived federal guidelines for some states to encourage experimentation with alternative approaches to poverty relief, a trend that continued under the George H.W. Bush and Clinton administrations (C. Harvey, Camasso, & Jagannathan, 2000; Teles, 1996).

grant if triggered by economic conditions. The MOE requirement for a state is set at 75% of 1994 spending on AFDC and related programs; failure to meet this goal is subject to a block grant reduction. While states may save unused block grant funds, the MOE requirement must be met annually (Falk, 2013).

TANF funds do not have to be used for cash assistance, and can instead be applied to any purpose consistent with the four goals of reform. Despite having the flexibility to effectively end cash assistance under TANF, every state still has some version of a basic cash assistance program. Basic assistance's centrality to overall TANF effort, however, has declined markedly since the late 1990s. As shown in Figure 2.1, beginning in 1999 total TANF expenditures gradually decreased, excepting a peak in the aftermath of the Great Recession of the late 2000s. In contrast, basic assistance expenditures declined sharply and have generally continued to decline. Originally the bulk of TANF spending, basic assistance now accounts for approximately one-quarter of expenditures. Even expanding the definition of "core TANF" priorities to include work activities, supportive services, and child care only increases the dollar value directed to the assumed foundation of the program to roughly half of all expenditures[3].

Both formal and informal incentives under TANF lead states to de-emphasize cash benefits. First, federal TANF policy requires that each state meet a work participation requirement—a proportion of the cash assistance caseload employed or participating in employment-facilitating activities. The base work activity target for each state is 50% of all families on the caseload per year. However, states receive a one percentage point reduction in the work activity target for each one percent reduction in the welfare caseload compared to 2005[4]. States can also reduce the work goal by contributing additional MOE (Falk, 2013). There are reporting requirements for cash assistance beneficiaries, but not for recipients of other TANF-funded services. The flexibility afforded by TANF might also interact with tenuous state budgets (Schott, Pavetti, & Floyd, 2015). If a state has

[3]Even expenses in these categories do not have to be targeted to cash benefit recipients or welfare leavers.
[4]Prior to 2007, 1995 served as the reference year.

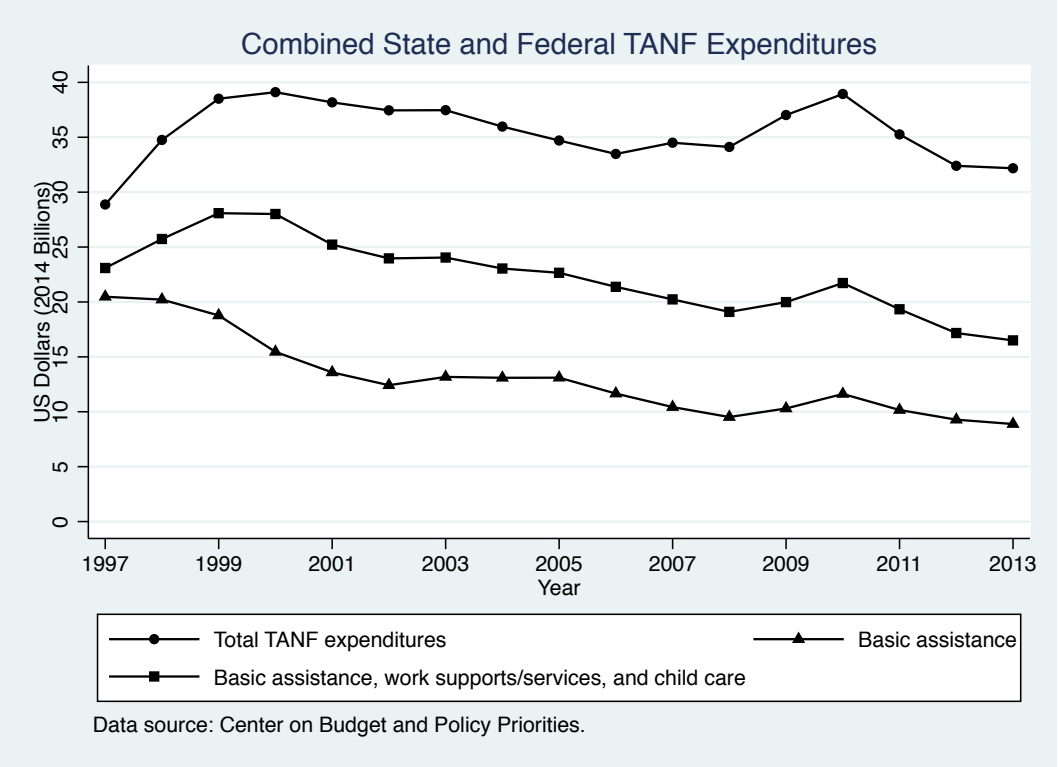


Figure 2.1: Overall TANF expenditures & core priorities expenditures, 1997-2013 (2014 U.S. billions).

an Earned Income Tax Credit, for example, and providing a dedicated funding stream is fiscally challenging, it can simply count the program as TANF effort.

Though all responding to the same incentives, states range widely in emphasis on cash assistance. In 2013, for instance, Maine directed 52% of its total TANF funds to basic assistance. Illinois, in contrast, used 7% of all program resources on traditional welfare benefits. The rate of decline has also been uneven across states. West Virginia's basic assistance expenditure in 2013 was 68% of its 1998 value. Indiana's basic assistance effort in 2013, however, was 19% of the 1998 allocation.

State Politics & Welfare Policy

Even though TANF is now more a discretionary funding stream than a cash assistance program, few studies address the uses of TANF resources. Rodgers and Tedin (2006)

examined state effort devoted to welfare reform, finding that states with proportionally larger black populations, larger caseloads, and higher unemployment rates spent less on TANF overall. The authors discuss the increasing emphasis on priorities other than cash assistance, but do not empirically test any patterns in use of funds. The study also only used a single year of data, 2002, in the early stages of TANF implementation. Matsubayashi and Rocha (2011) studied state welfare expenditures from 1980 to 2000 using an indicator variables model ("fixed effects" in the language of econometrics) to isolate causal relationships, finding that racial demographics (proportion black and proportion Latino in the population) are again related to state expenditures. The effects are further conditioned on factors such as degree of interracial economic inequality, socioeconomic environment, and ease of voter registration. While year indicators should partly account for the transition from AFDC to TANF during this time period, pooling observations from the two programs obscures the very different fiscal incentives of states under each policy. The authors also make no distinction between basic assistance spending and other expenditures, and their time series ends just as basic assistance was de-emphasized. Finally, Lambright and Allard (2004) find that state propensity toward innovation (as evidenced by timing of section 1115 waiver adoption under AFDC) and degree of caseload decline predict transfers to the Social Services Block Grant (SSBG). SSBG transfers, though, are only one potential use of TANF funds.

While the existing body of work has under-examined state use of TANF resources, research has identified a number of state-level factors related to welfare policy design. Relevant political characteristics include prevailing government and citizen political ideology, party control of government, size of the cash assistance caseload, and competitiveness of elections (Fellowes & Rowe, 2004; Gais & Weaver, 2002; Soss et al., 2001). A "race to the bottom" in welfare policy produced by interstate competition has long been theorized to influence welfare, though evidence is mixed (Albert & Catlin, 2002; Allard & Danziger, 2000; Brueckner, 2000). Socially, prevalence of problems such as out-of-wedlock births

relates to policy design (Soss et al., 2001). Finally, economic factors such as gross state product shape the approach to welfare (Fellowes & Rowe, 2004; Gais & Weaver, 2002). Perhaps the most examined influence on state welfare policy, however, is race. Since its earliest days, economic relief for low-income families has had some relationship to racial politics, with attempts at all levels of implementation to restrict access to minority beneficiaries (Lieberman, 1998; Ward, 2005). Even after expansion to a pseudo-entitlement in the late 1960s, states with larger populations of African Americans provided less generous AFDC benefits and less extensive benefits coverage (Orr, 1976; Tropman & Gordon, 1978).

The influence of racial politics continued through reform. States with larger populations of color or larger proportions of people of color on the welfare caseload, particularly blacks, tended to implement programs with stricter rules compared to other states (Fellowes & Rowe, 2004; Reingold & Smith, 2012; Soss et al., 2011, 2001). The relationships vary by particular policy area, however. Soss et al. (2001) find that a larger proportion of the welfare caseload identifying as black is associated with an increased probability of a state adopting strict sanctions, strict time limits, and family caps. Proportion Latino on the caseload also had a relationship, albeit weaker than that for proportion black, to adoption of strict time limits and family caps. States with larger proportions of African Americans and Latinos on the caseload also generally moved policy in a stricter direction compared to their peer states (Fellowes & Rowe, 2004). Once again, the relationship with proportion Latino was noticeably weaker than proportion black. Finally, caseload racial demographics were predictive of the extent of coverage (proportion of children in poverty receiving benefits) decline following reform (Bentele & Nicoli, 2012).

Despite the general convergence of demographically similar states on particular policy approaches, the relationship between racial politics and welfare has limits. Volden (2016) finds no connection between demographics and policy learning in welfare implementation. Voter registration laws, economic parity between blacks and whites, higher

low-income voter turnout, and representation by people of color and women in state government temper the role of race in policy (Avery & Peffley, 2005; Matsubayashi & Rocha, 2011; Preuhs, 2006; Reingold & Smith, 2012)[5]. Spillover effects from other, more directly race-related policy conflicts such as controversy over the Confederate flag may also influence the role of racial context (H. E. Brown, 2013). Again relevant for the present study, Bentele and Nicoli (2012) find that racial demographics were not predictive of welfare coverage decline after 2000. The link between welfare policy and race, then, appears frequently, but is also conditional.

Mass attitudes toward welfare are also shaped by race. A common image associated with welfare is the "welfare queen" abusing cash benefits, stereotypically perceived as black (Gilens, 1999; Hancock, 2004; Soss et al., 2011). In turn, whites holding negative racial views are less supportive of welfare (Federico, 2004; Gilens, 1999; Kinder & Sanders, 1996). The link between racial attitudes and welfare opposition has been durable to the policy changes engendered by reform, despite TANF including such features as time limits and work requirements that address the perceived problems of AFDC (Dyck & Hussey, 2008; Soss & Schram, 2007). Soss et al. (2011) tie the attitudinal and policy design findings together in a theoretical framework, the Racial Classification Model (RCM). The RCM is rooted in three tenets: 1) in a complex social world, decision-makers require cognitive shortcuts, 2) when racial/ethnic minorities are relevant to a policy issue, stereotypes can serve as such a shortcut, and 3) a contrast between stereotypes and policy goals produces punitive policy.

Research Questions & Hypotheses

Movement away from cash assistance as a program emphasis has been a defining feature of TANF following reform, but most studies examine state cash assistance rules. Given the fiscal discretion provided by TANF, how much effort a state devotes to cash as-

[5]Several of these studies rely on data from AFDC or some combination of AFDC and TANF.

sistance is a product of politics. What state-level factors, then, are related to differences in emphasis on cash assistance? What factors explain differences in the rate of movement away from cash assistance? Five hypotheses follow from existing scholarship on welfare policy and analysis of the incentives built into TANF's structure. First, race is central to the policy image associated with cash assistance (Gilens, 1999; Hancock, 2004; Soss et al., 2011). Following an RCM-type process, states in which racial politics is salient could use the flexibility of TANF to de-emphasize cash benefits. This proposition leads to the first two hypotheses:

Hypothesis 1, Racial Politics & Cash Assistance Expenditures: *States in which racial politics is salient will devote fewer resources to cash assistance.*

and

Hypothesis 2, Racial Politics & Movement from Cash Assistance: *States in which racial politics is salient will move away from cash assistance more quickly than other states.*

Consistent with existing scholarship, the relationship between cash assistance emphasis and racial politics may be strongest when blacks are the relevant racial group, being weaker or non-existent with respect to Latinos. Beyond racial politics, other political factors also likely influence cash assistance effort. In particular, the flexibility afforded by TANF allows the ideological and partisan orientation of state government to shape the approach to welfare.

Hypothesis 3, Political Ideology & Cash Assistance Expenditures: *Conservative state governments will devote fewer resources to cash assistance, liberal governments will devote more.*

The effect of ideology could itself be shaped by racial salience. Racial conservatism among whites in states with large minority populations is high, while minority voters tend to maintain more liberal ideological preferences (Fowler, 2016; Norrander & Manzano, 2010). Parties in these states polarize generally, and it is reasonable that they do so on welfare policy specifically. Left-leaning government could attenuate the influence of racial politics while right-leaning government could respond by strongly restricting

welfare.

Hypothesis 4, Political Ideology & Racial Politics: *The effects of racial salience and government ideology will interact, with a more pronounced effect of racial politics under more conservative government and a weaker effect under more liberal government.*

Finally, considering TANF's policy structure, state fiscal health could be related to cash assistance emphasis. A state under fiscal stress could use the flexibility afforded by TANF to direct funds to other priorities or to meet the MOE obligation with programs only tangentially related to poverty relief (Schott et al., 2015).

Hypothesis 5, Fiscal Health & Cash Assistance Expenditures: *States under fiscal stress will devote fewer resources to basic assistance.*

Methods

Models & Sample

I test the hypotheses using multi-level growth curve models predicting basic assistance effort with a sample of all states from 1998 to 2013 (n=798)[6]. Growth curve models are a special case of the multi-level model framework, also known as hierarchical or mixed modeling, used to handle clustered data. Under multi-level modeling, the group disturbance of a cluster from the population grand mean is modeled as following a distribution with mean zero and variance σ^2. In a growth curve model, the grouping is by unit (here, the state) and time enters the model as a continuous variable whose effect also varies by unit (Raudenbush & Bryk, 2002). For each state s and occasion j:

[6]Two observations include reports of negative or zero spending on basic assistance and are treated as missing. The reported values are likely a result of accounting practices. States are allowed to make corrections to previous spending reports by including the value of the correction in a current report. This process produces under- and over-reports of actual fiscal effort. It is impossible, however, to link a correction to a specific previous report, so there is no reasonable way to compensate for this added noise in the data. Negative values are obvious corrections for any expenditure category, as are zero values for basic assistance. Given that there are only two such observations in the time period studied here, it is reasonable to treat their data as missing. Other sources of noise from over- and under-reports, however, must simply be tolerated.

$$Y_{sj} = \beta_{0s} + \beta_{1s} t_j + \beta_2 X_{sj} + e_{sj}$$

$$\beta_0 s = \gamma_{00} + \gamma_{01} Z_s + u_{0s}$$

$$\beta_1 s = \gamma_{10} + u_{1j}$$

where t is a continuous measure of time at occasion j, X_{sj} is a time-varying predictor, and Z_s is a time-invariant predictor. β_{0s} is the state-specific intercept, modeled as a function of a grand intercept γ_{00}, time invariant predictor Z, and random error u_{0s}. The state-varying coefficient on time, β_{1s}, is a function of a mean effect γ_{10} and additional error u_{1j}. e_{sj} represents random state-year error.

This model form presents a number of important advantages over other types of longitudinal models, such as a "fixed effects" model using indicator variables[7], for the present study. Most importantly, the multilevel growth curve model can incorporate both time-invariant and time-varying predictors. The effect of a time-invariant predictor is simply interpreted as explaining a portion of the unit-specific intercept. A key independent variable—prevailing white racial affect—is here treated as time-invariant due to data restrictions discussed subsequently. Second, as an extension, the model allows for examination of moderating effects between time-varying and time-invariant variables through interactions. Finally, since unit-specific variations in the time trend are explicitly incorporated in the model, it is possible to test hypotheses regarding the relationship between that trend and other covariates through interactions with the time variable (e.g., is the rate of change over time for unit s related to some other variable in the model?).

A key assumption of all mixed models is the independence of the lowest-level predictors from the group-level error. In the case of a growth curve model, the values of a time-varying variable should not correlate with state error, a somewhat unrealistic assumption. Presence of such a relationship can produce misleading statistical tests by underestimating uncertainty. I relax the assumption of independence for time-varying

[7]The terminology of fixed effects could be confusing in the present study. In econometrics, "fixed effects" tends to refer to an indicator variables model to control for group effects and/or common shocks. In multilevel modeling, however, "fixed effects" generally refers to the population-averaged portion of the model about which group deviations ("random effects") are distributed.

variables by including the within-state mean as a time-invariant predictor (Gelman, 2006; Raudenbush & Bryk, 2002). This procedure incorporates the within-state mean as a component of the state intercept and its effect can itself be interpreted. All variables other than time are grand mean centered to simplify interpretation of interaction terms. With grand mean centering, the coefficient on the within-state mean variable is a composite of effects from both the time-invariant and time-varying components of the variable (the interpretation of the time-varying coefficient is unchanged). Recovering the unique effect of the time-invariant, or contextual, effect is, however, relatively simple—it is the sum of the coefficients on the time-varying and time-invariant elements (Raudenbush & Bryk, 2002).

Dependent Variables

States report their spending, both out of the TANF block grant and through MOE, quarterly to the Administration for Children and Families (ACF) (2014). The Center on Budget and Policy Priorities (2015) collapses the TANF expenditure data into a set of summary categories, and this analysis adopts CBPP's data. Values were converted to 2014 dollars and expressed in thousands. I scale in two ways to account for variation in state size: creating a new variable, effort-to-need, indexed to the count of families in poverty, and expressing basic assistance as a percentage of overall TANF expenditures[8](Center on Budget and Policy Priorities, 2015). The denominator in the effort-to-need variable is the averaged estimate of families in poverty from 1997 to 2013; fixing this value allows scaling while ensuring only one of the two quantities in the calculation varies over time. Applying a logarithmic transformation to the effort-to-need variable further improves model fit. Raw and transformed dependent variable descriptive statistics are shown in

[8]Percentage data are bounded and often follow a non-normal distribution. In the case of basic assistance—and only in the case of basic assistance among all TANF expenditure categories—the distribution of percentages is actually fairly normal. Further, expressing the variable as a proportion and applying a logit transformation, then estimating the models produces substantively identical results to the linear analysis. In combination with the estimation of robust standard errors to account for model misspecification, then, the linear model is reasonable for analyzing basic assistance expenditures as a percentage.

Table 2.1.

Table 2.1: Basic assistance dependent variable descriptive statistics.

Variable	**Mean**	**Std. Dev.**	
Basic assistance effort-to-need	1.925	overall	1.750
		between	1.509
		within	0.908
Log(basic assistance effort-to-need)	0.275	overall	0.912
		between	0.826
		within	0.400
Percentage basic assistance	32.721	overall	14.832
		between	9.821
		within	11.189

n=798; 50 states in 16 years.
Two observations treated as missing.
"Effort to need" denominator is average count of families in poverty, 1998-2013.

Measuring Racial Salience: Subnational White Racial Attitudes

To operationalize the salience of racial politics, I created a state-level measure of the prevalence of negative stereotypes of blacks among whites. Earlier studies examined the salience of race to welfare politics using a measure of racial context, such as caseload demographics. It is not just racial context that influences racial salience, however. If the target population for cash assistance is stereotyped as black, variation in the degree to which negative racial views are held could also influence policy. Only Johnson (2001) incorporates both racial context and racial attitudes as explanatory factors, but that study was limited to the latter years of AFDC. This inquiry provides an opportunity to examine the durability of the racial affect/welfare link.

There are two alternatives for producing state estimates of public attitudes using national survey data, disaggregation and multi-level regression with post-stratification

(MRP). Disaggregation estimates subnational opinion through cross-tabulation. MRP uses the data to empirically model individual-level opinion based on demographic and geographic characteristics (e.g., a white highly educated female between 25 and 36 years old living in Kentucky has a particular probability of holding a certain opinion). Predictions of the probability of each demographic-geographic "type" holding the opinion of interest are calculated. The predictions are then weighted with Census data to produce state-level estimates of opinion prevalence. Comparisons of disaggregation and MRP suggest MRP produces superior estimates even with large samples, particularly for small states (Lax & Phillips, 2009b).

The individual-level predictive model is a multi-level logit model with respondents nested within states. Data are drawn from the 2008 National Annenberg Election Survey (NAES) online sample[9], which included a racial attitudes battery given the salience of race to the 2008 Presidential election (Annenberg Public Policy Center, 2010). Unfortunately, whites were only asked about attitudes toward blacks, so it cannot be used to gauge affect toward other racial or ethnic groups (e.g., Latinos). To estimate the predictive model, the sample is restricted to white non-Hispanic respondents (n=15,372). The NAES included six "feeling thermometer" racial attitudes items scored 0 to 100, with 100 indicating perfect agreement with a statement and 0 perfect disagreement. White respondents were asked whether their own racial group is hardworking, intelligent, and trustworthy, then whether the respondent agreed with these statements applied to blacks. I construct the stereotyping scale by taking the difference between the two responses, then summing the differences. MRP requires a binary variable, so I then use the scale to produce a summary indicator coded 1 if the respondent scored in the top quartile

[9]The NAES telephone sample is massive, nearly 60,000 respondents, and therefore particularly appropriate for direct disaggregation. The online sample, which includes the racial attitudes battery, is smaller, approximately 20,000 respondents, but still quite large. Reducing the sample to whites only drops it still further to 15,372, which is still substantial and could allow for disaggregation. MRP has been selected, however, because the subsample in some states is small after applying restrictions and therefore potentially unreliable even with the large overall sample. It further allows the inclusion of racial context as a predictor of white racial attitudes, allowing empirical modeling to follow theoretical assumptions (i.e., that racial context simultaneously influences both caseload demographics and white racial attitudes).

in-sample. These procedures are similar to those employed by Elmendorf and Spencer (2014) in their consideration of the consequences of Supreme Court-ordered changes to Voting Rights Act enforcement in *Shelby County v. Holder*.

Both demographic and state predictor variables are included in the models. Predictors at the individual level include gender, age, and educational attainment. At the state level, I nest states within geographic region and include group-level predictors of racial attitudes. First, whites located near larger populations of blacks tend to express more negative racial views (Glaser, 1994; Taylor, 1998). Proportion of the state population identifying as black is therefore included as a covariate. This relationship is tempered by degree of integration, with whites in more diverse but less segregated areas expressing more positive views (Rocha & Espino, 2009; Zingher & Steen Thomas, 2014). White/black segregation is measured with a dissimilarity index based on American Community Survey data from 2005 to 2009 (University of Michigan Population Studies Center, 2016). Finally, whites in diverse but higher-status areas are less likely to express negative racial views (Branton & Jones, 2005; Oliver & Mendelberg, 2000). I operationalize prevailing socioeconomic status using the proportion of the working-age population (25-64) holding a bachelor's degree or greater. Predictions were weighted with U.S. Census data from the year 2000 public use file (U.S. Census Bureau, 2016). State-level estimates produced using MRP are shown in Table 2.2 while the map in Figure 2.1 shows the general geographic trend. Results are roughly as might be expected; negative racial views among whites are most deeply held in the south, somewhat less common in the midwest, and least common in the northeast and the west. Additional methodological detail is provided in Appendix A.

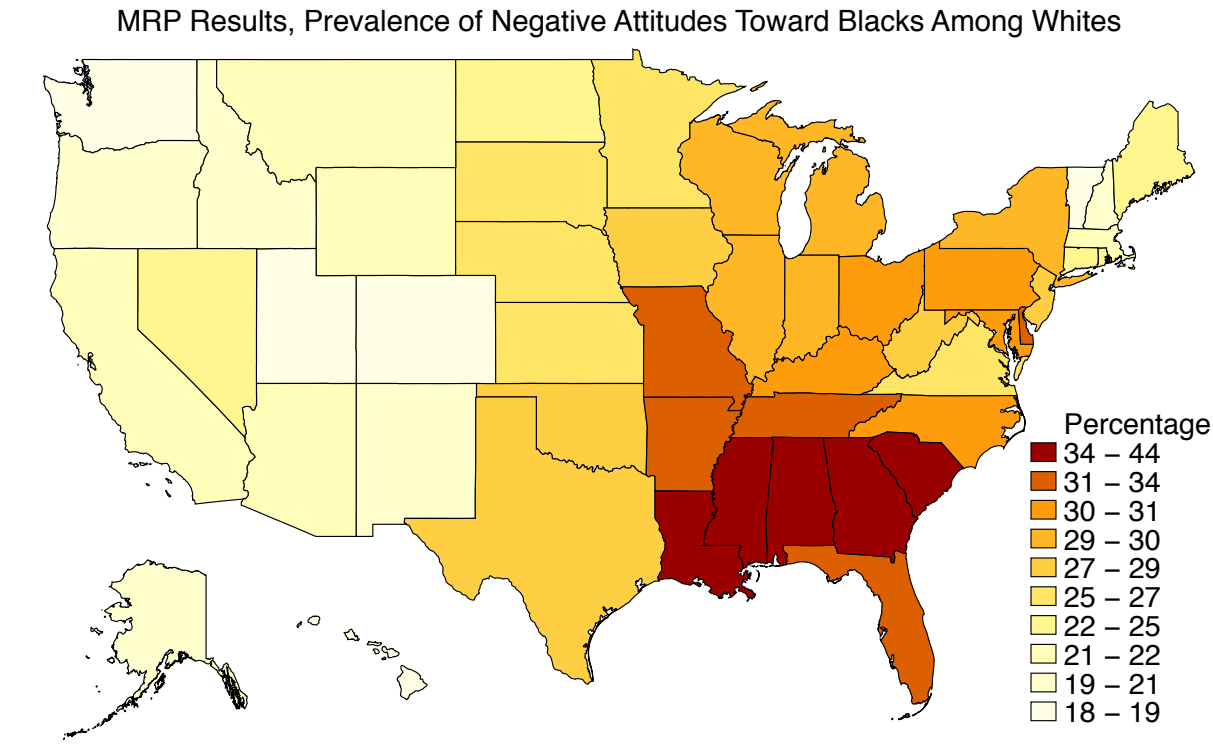
Other Independent Variables

Other key independent variables are time, salience of Hispanics to welfare politics, government political ideology, and state fiscal stress. Time is expressed in years with

Table 2.2: MRP estimates of percentage of whites holding extremely negative stereotypes of blacks.

State	Estimate	State	Estimate
AL	38.68	MT	21.20
AK	20.63	NE	27.23
AZ	21.55	NV	23.75
AR	34.07	NH	19.38
CA	21.41	NJ	28.42
CO	18.26	NM	20.71
CT	23.83	NY	21.12
DE	32.96	NC	30.38
FL	32.07	ND	24.95
GA	34.77	OH	30.60
HI	18.95	OK	27.94
ID	20.11	OR	20.23
IL	29.50	PA	30.87
IN	28.91	RI	23.98
IA	27.93	SC	35.97
KS	25.17	SD	25.99
KY	29.63	TN	33.69
LA	42.96	TX	27.68
ME	22.32	UT	18.61
MD	30.85	VT	19.37
MA	21.86	VA	26.65
MI	29.36	WA	18.05
MN	26.14	WV	27.82
MS	43.79	WI	29.40
MO	31.41	WY	22.00

Multi-level regression with post-stratification estimates produced using 2008 National Annenberg Election Survey and 2000 U.S. Census public use file.



Map 2.1: Map of estimated prevalence of extremely negative stereotyping of blacks by whites within each state.

1998 as the baseline year (e.g., 2000 is year 2). Salience of Hispanics to welfare is included using proportion of the cash assistance caseload identifying as Hispanic (Administration for Children and Families, 2015). I gauge government political ideology using W. Berry, Fording, Ringquist, Hanson, and Klarner's (2010) government ideology scores scaled to the [0,10] interval, with larger values indicating more liberal government. Fiscal stress is measured by subtracting state revenue from state expenditures, then dividing by expenditures, a variation on the procedure employed by F. Berry and Berry (1990). Higher values indicate more tenuous state finances. Controls include citizen ideology, coded identically to the government ideology measure (W. Berry, Ringquist, Fording, & Hanson, 1998), state-year unemployment rate, state-year poverty rate[10] and unmarried birth rate. Descriptive statistics are shown in Table 2.3.

Results

Figure 2.2 and Figure 2.3 graphically present the estimated population averaged ("fixed effects") parameters of the effort-to-need growth curve models. These coefficients are interpreted identically to linear regression coefficients. Complete model results, including the random components, are presented in Table 2.4 and Table 2.6. The random components describe the estimated distribution of state deviations from the population-averaged intercept and time coefficient. Predictors, other than time, are grand mean centered to simplify interpretation of the interactions (i.e., the coefficient on an interacted variable is its effect when the other variable is held at its mean). As noted previously, the magnitude of the coefficient on a within-state mean variable must be interpreted in combination with the coefficient on its time-varying counterpart. Analysis of the residual structure indicates the residual at each occasion is correlated with residuals at each previous occasion. The strength of the correlation declines with increasing temporal dis-

[10]Poverty rate is not included in the effort-to-need models since it is related to the dependent variable, through the count of poor families in the denominator, by construction.

Table 2.3: Basic assistance growth model independent variable descriptive statistics.

Variable	Mean	Std. Dev.	
Hispanic caseload %	13.935	overall	16.072
		between	15.971
		within	2.976
Government ideology	4.882	overall	2.518
		between	1.942
		within	1.625
Citizen ideology	5.130	overall	1.564
		between	1.442
		within	0.640
Unemployment rate	5.675	overall	2.075
		between	1.051
		within	1.795
Poverty rate	12.428	overall	3.364
		between	2.900
		within	1.751
Unmarried birth rate	36.396	overall	6.878
		between	6.080
		within	3.318
Fiscal stress	-0.055	overall	0.172
		between	0.056
		within	0.163

n=798; 50 states in 16 years.
Two observations treated as missing.

tance (the correlation with the residual at time *t* is much stronger for the residual at time *t+1* than at time *t+10*). I therefore specify an autoregressive AR(1) process that accounts both for the existence of the correlation and its decline over time (Rabe-Hesketh & Skrondal, 2012). Reported standard errors are cluster-robust errors that account both for interrelationships within states over time and heteroskedasticity arising from model misspecification.

Models 1 to 3 use log-transformed effort-to-need as the outcome variable. As a rule of thumb, the coefficients in a model with a log-transformed dependent variable represent a proportional change in the untransformed outcome variable per unit of the predictor (e.g., a coefficient of 0.05 indicates a five percent change in the untransformed outcome). The base model, Model 1, contains no interactions. As expected under Hypothesis 1, the white racial attitudes variable is negatively signed and statistically significant; states in which whites express more negative racial views expend less effort on basic assistance than other states. Specifically, a one percentage point change in the prevalence of whites expressing extremely negative stereotypes of blacks is associated with 5% less in expenditures on basic assistance. There is also support for Hypothesis 3, as government liberalism is positively signed and significant (at $\alpha = 0.10$). Finally, consistent with Hypothesis 5, fiscal stress is associated with decreased basic assistance effort. Time remains a significant predictor of spending even after accounting for factors that vary longitudinally. Each additional year, on average, results in a 6% decline in basic assistance spending (since the effect of time has been allowed to vary by state, the effects within individual states are distributed around this value, some smaller and some larger; these results represent the mean trend). Proportion of the TANF caseload identifying as Hispanic, unmarried birthrate, and citizen ideology fail to achieve statistical significance. Unemployment rate, however, is statistically significant and associated with increased basic assistance spending.

Models 2 and 3 add interactions to the base model. In Model 2, time is interacted

with the prevailing white racial attitudes measure. While the negative effect of time is stronger at higher values of the white racial attitudes variable, the interaction term is not statistically significant. These results fail to provide support for Hypothesis 2. Model 3 interacts racial attitudes with government ideology. The interaction term is negatively signed and not statistically significant. Further investigation demonstrates that there is a relationship between ideology and white racial attitudes at some values. As shown in Figure 2.4, the effect of government liberalism on spending is greatest at low prevalence of white stereotyping of blacks. Estimated simple slopes of government ideology at different values of negative racial affect among whites are presented in Table 2.5. When negative stereotypes are more common, the slope of liberalism is indistinguishable from zero at conventional levels of significance or even negatively signed. It is statistically significant, though, at lower values of stereotype prevalence. These findings are suggestive of a relationship between ideology and majority group racial attitudes, but different than that proposed under Hypothesis 4. It would be inappropriate, however, to draw definitive conclusions from this relatively weak evidence.

Models 4 through 6 (Figure 2.3) use percentage of TANF effort devoted to basic assistance as an outcome variable. The relationship between time and basic assistance here is curvilinear. Including the squared value of time accounts for this trend. In Model 4, the prevalence of negative attitudes toward blacks among whites and fiscal stress are associated with decreased emphasis on basic assistance, supporting Hypotheses 1 and 5 and paralleling results of the effort-to-need analysis. Government liberalism, as expected under Hypothesis 3, is associated with greater basic assistance emphasis, but it is not statistically significant (nor is its time-invariant counterpart). The percentage of TANF spent on basic assistance is also positively related to the unemployment, poverty (at $\alpha = 0.10$), and unmarried birth rates. Model 5 interacts time and attitudes, and again there is no relationship between racial politics and the rate of basic assistance decline. In Model 6, the ideology/white racial affect interaction is, as shown in Figure 2.4, consistent with the

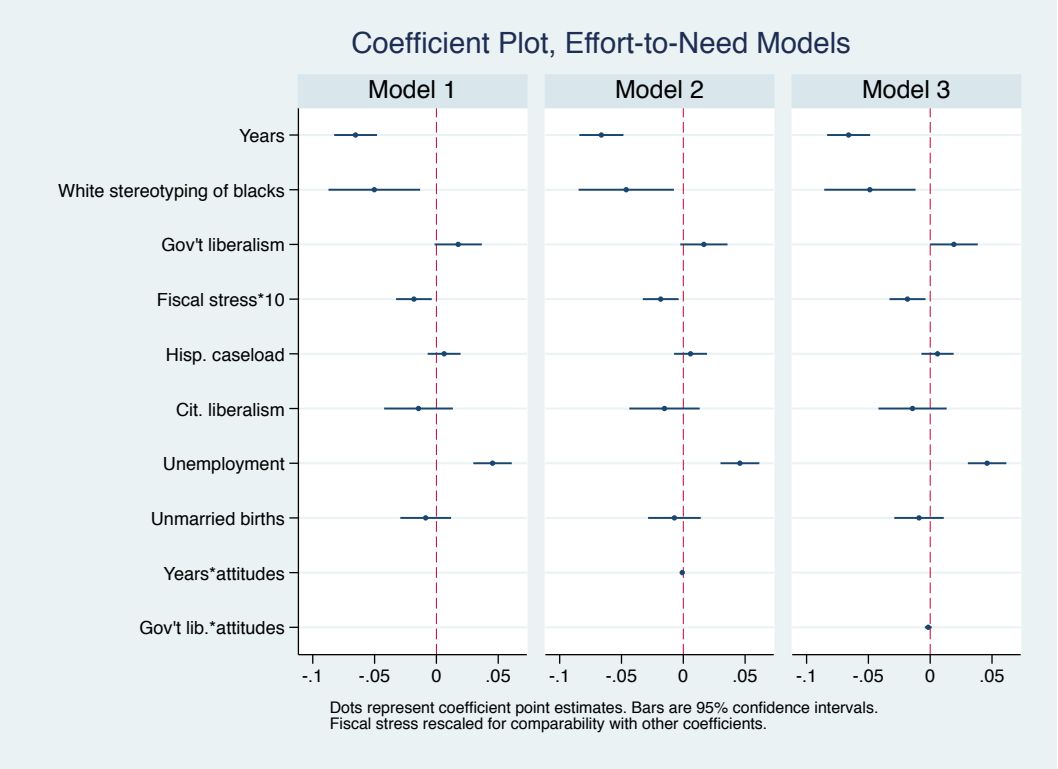


Figure 2.2: Plot of select coefficients and 95% confidence intervals, basic assistance effort-to-need growth curve models.

Table 2.4: Complete results, basic assistance effort-to-need growth curve models.

	Model 1	Model 2	Model 3
Fixed component			
	b/se	b/se	b/se
Time varying			
Years	-0.065***	-0.066***	-0.066***
	(0.009)	(0.009)	(0.009)
Hispanic caseload %	0.006	0.006	0.006
	(0.007)	(0.007)	(0.007)
Gov't liberalism	0.018+	0.017+	0.019+
	(0.010)	(0.010)	(0.010)
Citizen liberalism	-0.014	-0.015	-0.014
	(0.014)	(0.015)	(0.014)
Fiscal stress	-0.018*	-0.018*	-0.018*
	(0.007)	(0.007)	(0.007)
Unemployment	0.045***	0.046***	0.046***
	(0.008)	(0.008)	(0.008)
Unmarried births	-0.009	-0.007	-0.009
	(0.010)	(0.011)	(0.010)
Time invariant			
White stereotyping of blacks	-0.050**	-0.046*	-0.049**
	(0.019)	(0.020)	(0.019)
Hispanic caseload % mean	-0.010	-0.009	-0.009
	(0.009)	(0.009)	(0.009)
Gov't liberalism mean	0.039	0.040	0.038
	(0.049)	(0.049)	(0.049)
Citizen liberalism mean	0.311***	0.312***	0.307***
	(0.062)	(0.063)	(0.062)
Fiscal stress mean	0.737	0.741	0.680
	(1.297)	(1.297)	(1.305)
Unemployment rate mean	-0.057	-0.057	-0.058
	(0.092)	(0.092)	(0.092)
Unmarried births mean	0.003	0.002	0.002
	(0.019)	(0.019)	(0.019)
Interaction terms			
Years*attitudes		-0.001	
		(0.001)	
Gov't liberalism* attitudes			-0.002
			(0.001)
Random component			
Variance(Years)	0.001	0.001	0.001
	(0.0003)	(0.0002)	(0.0003)
Variance(Cons.)	0.247	0.246	0.242
	(0.063)	(0.062)	(0.062)
Covariance(Years,Cons)	-0.004	-0.004	-0.004
	(0.003)	(0.003)	(0.003)
AR(1) Residual			
ρ	0.324	0.324	0.322
	(0.094)	(0.094)	(0.093)
Variance	0.070	0.070	0.070
	(0.013)	(0.013)	(0.014)
Log likelihood	-151.455	-151.037	-150.710
BIC	436.551	442.398	441.745

N=798 (50 states in 16 years. Two observations treated as missing.)
Cluster robust standard errors in parentheses.
Dependent variable log transformed.
All variables other than time grand mean centered.
Fiscal stress rescaled by multiplying by 10.
$+p < 0.01, *p < 0.05 **p < 0.01 ***p < 0.001$

Table 2.5: Relationship between government ideology and basic assistance effort at various values of prevalence of negative stereotypes of blacks among whites.

	Calculated Slope of Ideology	
White stereotyping of blacks	Effort-to-need model	Percentage model
-10	0.035+	0.823
	(0.019)	(0.623)
-5	0.027*	0.529
	(0.013)	(0.424)
0	0.019+	0.234
	(0.020)	(0.288)
5	0.011	-0.060
	(0.011)	(0.313)
10	0.004	-0.354
	(0.016)	(0.475)
15	-0.004	-0.648
	(0.022)	(0.682)
20	-0.012	-0.943
	(0.028)	(0.904)

$+p < 0.10$ $*p < 0.05$ $**p < 0.01$

Robust standard errors in parentheses.

White stereotyping of blacks is mean-centered percentage of whites in state expressing extremely negative views of blacks.

relationship in the effort-to-need analysis. However, the interaction coefficient is not statistically significant and the slope of government ideology is not statistically significant at any values of white stereotyping of blacks.

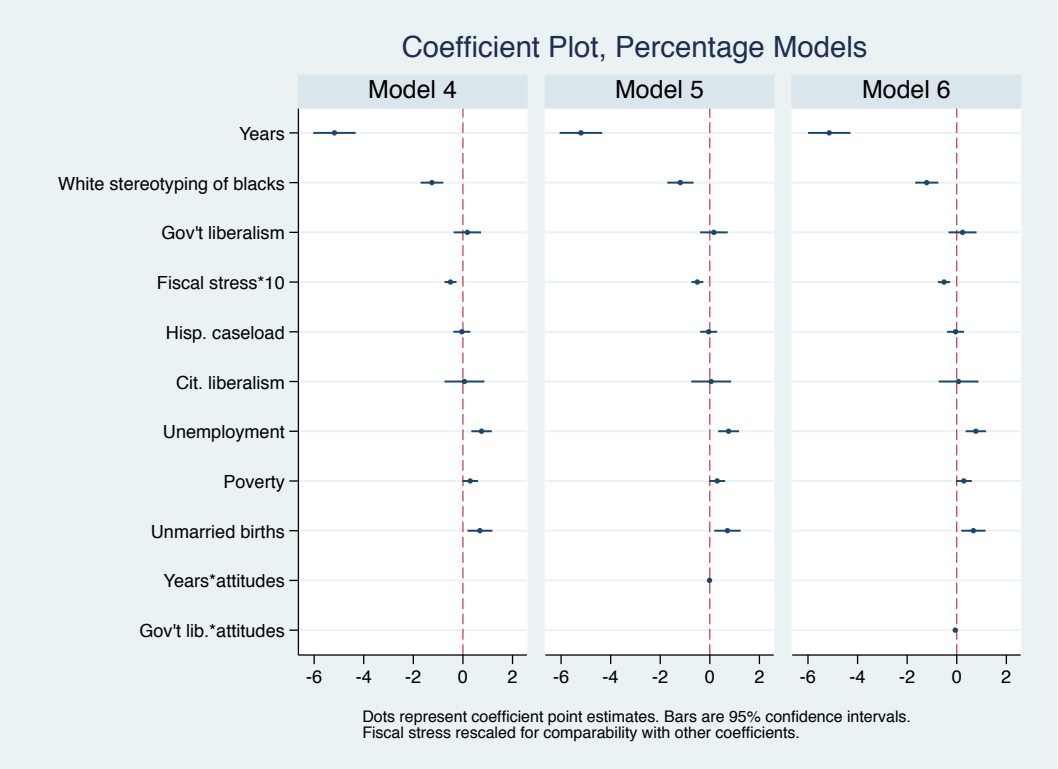


Figure 2.3: Plot of select coefficients and 95% confidence intervals, growth models of percentage total TANF spending directed to basic assistance.

Discussion

Racial Politics & Cash Assistance

Under TANF, states in which prevailing white attitudes toward blacks are more negative direct fewer resources to basic cash assistance, the portion of the program generally thought of as "welfare." This finding holds regardless of whether basic assistance is specified as a per-poor-family expenditure or as a proportion of a state's overall TANF effort. It places this study in a long line of scholarship connecting traditional welfare to racial politics. Earlier studies, however, used measures of racial context, such as state demo-

Table 2.6: Complete results, growth models of percentage total TANF spending directed to basic assistance.

	Model 4	Model 5	Model 6
Fixed component			
	b/se	b/se	b/se
Time varying			
Years	-5.180***	-5.199***	-5.142***
	(0.435)	(0.437)	(0.435)
Years^2	0.182***	0.182***	0.178***
	(0.022)	(0.022)	(0.022)
Hispanic caseload %	-0.042	-0.049	-0.048
	(0.175)	(0.175)	(0.175)
Gov't liberalism	0.177	0.162	0.234
	(0.282)	(0.285)	(0.288)
Citizen liberalism	0.058	0.052	0.073
	(0.410)	(0.410)	(0.409)
Fiscal stress	-0.501***	-0.503***	-0.512***
	(0.124)	(0.123)	(0.126)
Unemployment	0.751***	0.757***	0.771***
	(0.211)	(0.214)	(0.210)
Poverty	0.295+	0.298+	0.287+
	(0.161)	(0.163)	(0.162)
Unmarried births	0.686**	0.710**	0.672**
	(0.256)	(0.272)	(0.249)
Time invariant			
White stereotyping of blacks	-1.250***	-1.187***	-1.210***
	(0.231)	(0.271)	(0.238)
Hispanic caseload % mean	-0.056	-0.050	-0.040
	(0.203)	(0.202)	(0.202)
Gov't liberalism mean	0.742	0.753	0.716
	(0.771)	(0.770)	(0.770)
Citizen liberalism mean	0.489	0.499	0.298
	(1.286)	(1.287)	(1.295)
Fiscal stress mean	15.882	15.915	13.729
	(18.611)	(18.612)	(18.887)
Unemployment mean	-1.662	-1.666	-1.754
	(1.202)	(1.203)	(1.194)
Poverty mean	-0.350	-0.354	-0.349
	(0.557)	(0.559)	(0.542)
Unmarried births mean	0.141	0.118	0.120
	(0.448)	(0.453)	(0.440)
Interaction terms			
Years*attitudes	-0.011		
		(0.024)	
Gov't liberalism*attitudes			-0.059
			(0.047)
Random component			
Variance(Years)	0.273	0.267	0.313
	(0.331)	(0.333)	(0.313)
Variance(Cons.)	16.421	16.071	18.069
	(30.674)	(30.662)	(28.146)
Covariance(Years,Cons)	-0.230	-0.196	-0.410
	(2.540)	(2.537)	(2.404)
AR(1) Residual			
ρ	0.670	0.701	0.687
	(0.094)	(0.094)	(0.094)
Variance	84.855	85.104	81.257
	(16.778)	(26.882)	(24.480)
Log likelihood	-2679.765	-2679.649	-2678.358
BIC	5513.218	5519.670	5517.087

N=798 (50 states in 16 years. Two observations treated as missing.)
Cluster robust standard errors in parentheses.
Dependent variable is percent of TANF spending devoted to basic assistance.
Fiscal stress rescaled by multiplying by 10.
All variables other than time grand mean centered.
$+p < 0.01, *p < 0.05 **p < 0.01 ***p < 0.001$

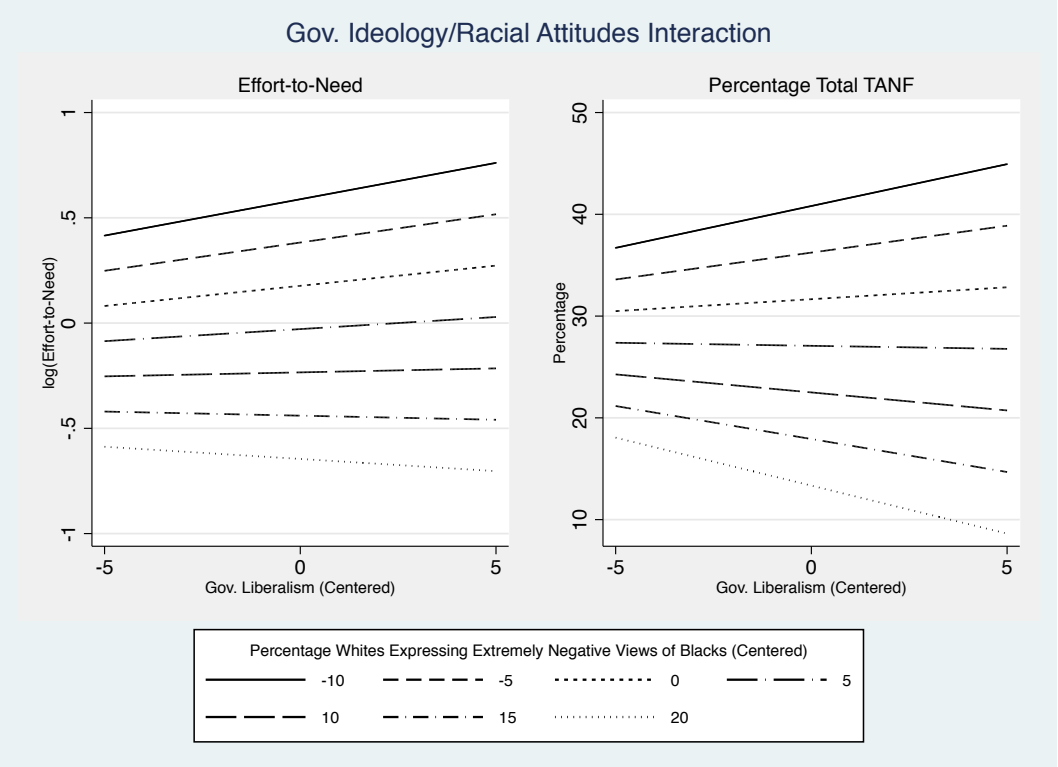


Figure 2.4: Slope of government liberalism at different values of white racial attitudes.

graphics, to operationalize racial salience. Incorporating racial salience with an attitudinal measure better matches the relevant social problem—racism—to empirical analysis. Racial context still enters the study through the MRP predictive model, as proportion of the state population identifying as black is included as a predictor of white racial attitudes. This study, then, updates Johnson (2001)—which showed that both racial context and racial attitudes play a role in welfare policy formulation—but extends it to contemporary policy.

There are limits to the influence of racial politics. The analyses provide no evidence that over time change in basic assistance is related to white stereotypes of blacks. This finding reinforces those of Bentele and Nicoli (2012), who found that caseload racial demographics were predictive of the rate of cash assistance coverage decline during the transition from AFDC to TANF (1995 to 2000), but not later. Together, Bentele and Nicoli (2012) and the present inquiry indicate racial politics has not played a constant role in

the continued evolution of TANF. In this study, the strongest force predicting change in basic assistance emphasis is simply time itself. Benefit levels have rarely been adjusted to account for inflation, and combined with the incentives toward caseload decline, basic assistance as an emphasis of TANF could erode without any change in programming or policy. Policy structure could also explain how racial politics still influences basic assistance spending levels. Early decisions of the states, influenced by race-based politics, set the starting point for all subsequent state expenditures. In the models, this is evident in the white racial affect variable's contribution to the state intercepts. Even if racial politics has not contributed to the declining emphasis on cash assistance, PRWORA and subsequent state TANF programs effectively locked in historical inter-state disparities. Additionally, it is possible, if not likely, that race-oriented politics influences TANF on a case-by-case basis when made salient to state politics through other events (H. E. Brown, 2013). Such a pattern would not be detectable in this type of analysis.

Government Ideology & Racial Politics

Government ideology acts in the expected way—more liberal governments devote more resources to traditional cash assistance—but is only statistically significant in the effort-to-need model. Further, racial salience may temper this relationship. The influence of government liberalism weakens as the salience of white stereotypes of blacks increases. When negative racial affect among whites is fairly common, there is no measurable effect (or, in some cases, a negative effect) of government liberalism on basic assistance emphasis. When such attitudes are less common, government liberalism is significantly and positively associated with cash assistance. This result is opposite that anticipated by Hypothesis 4, which posited more conservative government would reinforce the effects of racial politics. A possible explanation for this paradox is that racial politics acts as a constraint on welfare politics, but only when concerned with expansion. When negative racial affect is less relevant, liberal governments can, to some degree, direct more

resources to basic assistance. When racial salience is high, expansion of basic assistance would be widely unpopular. Under such conditions, it is even possible more liberal governments would redirect resources to preferred but less controversial priorities, such as tax credits. Given that the result was only found using one version of the dependent variable, however, and is only marginally significant when present, this finding should be taken as suggestive only. Perhaps the most striking aspect of these models taken together, then, is the relatively weak relationship between ideology and basic assistance expenditures; traditional partisan politics may play only a limited role in the use of TANF resources for basic assistance[11].

TANF & Economic Conditions

Economic conditions influence basic assistance spending, although the evidence for the direction of the relationship is mixed. States in fiscal distress devote fewer resources to basic assistance, both per-family-in-poverty and as a percentage of overall TANF spending. The fiscal health finding is consistent with the notion that states in challenging fiscal periods use the flexibility afforded by TANF to cover other state priorities, a relationship that has been the subject of speculation (Schott et al., 2015). This study provides direct evidence that state fiscal politics are a major influence on TANF basic assistance. It brings TANF's role as a cash safety net into question, indicating the program is no longer economically countercyclical. A higher unemployment rate (and, in the percentage model, a higher poverty rate), however, is associated with greater spending on basic assistance in some specifications, suggesting responsiveness. It is surprising that the results of the economic variables lead to conflicting conclusions, as high unemployment would also be associated with declines in state revenue[12].

A possible explanation for the discrepancy between the fiscal health and unemploy-

[11] Soss et al. (2011) offer a parallel finding with respect to TANF rules, with government political ideology playing a surprisingly limited role in the ongoing evolution of formal cash assistance policy.

[12] The fiscal stress and unemployment variables are moderately and positively correlated in the data ($\rho = 0.341$).

ment results is federal policy. Contingency funds, triggered by unemployment, are available to states during down economic times, and during the "Great Recession" of the late 2000s additional support was available through the American Recovery and Reinvestment Act. These federal streams allow states to increase spending on basic assistance in response to unemployment independent of their own fiscal health. Absent these additional funds, TANF could be unresponsive to changes in unemployment. Additionally, fiscal health is more directly a product of state politics than unemployment rate; declining revenues through tax cuts, for example, are results of policy decisions rather than economic conditions. Regardless, the relationship between fiscal health and TANF basic assistance suggests its safety net function is constrained by other forces.

Conclusion

TANF is often thought of as a cash assistance program with accompanying supportive services, work activities, and behavioral requirements. Once the program's focus, though, expenditures on these areas have declined markedly since the early years of welfare reform. Basic cash assistance now accounts for only about one quarter of all spending, but most studies of state TANF policy are limited to examining cash assistance rules. This study fills an important gap in welfare scholarship, investigating the state-level politics of cash assistance, but treating it as only one possible use of program resources. I find that racial politics, as it has been throughout the history of welfare, is an influence on cash assistance emphasis, with states in which whites express more negative racial views exerting less effort. Racial politics, though, is not related to the rate of decline in cash assistance. Instead, the highly racialized politics of the mid-1990s may structure the ongoing behavior of states, with early decisions shaping current policy. I also find suggestive evidence that racial politics constrain the expected effect of government ideology on cash assistance. Government liberalism is associated with greater emphasis on cash assistance, but only when lower proportions of whites express negative racial views; the finding is

inconsistent, however, and only weakly supported when present, so further investigation is warranted.

Beyond the politics of race, states under fiscal stress use TANF's flexibility to de-emphasize cash assistance. The reduced availability of cash benefits during adverse fiscal periods suggests TANF is not counter-cyclically responsive, and may even grow weaker as a safety net as economic conditions deteriorate. Conversely, however, cash assistance spending is responsive to changes in unemployment rate, though this relationship is modest and may be the product of additional federal funding streams. Absent federal support state politics may limit TANF's ability to provide an economic cushion for low-income families. At the very least, fiscal politics unrelated to economic hardship shapes state TANF implementation. Findings from this study suggest reform efforts directed at other anti-poverty programs warrant caution. While federalism may encourage policy experimentation, the degree of flexibility provided by TANF has also subjected it to influences unrelated to poverty relief.

CHAPTER III

Beyond Cash Assistance: State Politics & Temporary Assistance for Needy Families as a Flexible Funding Stream

Abstract

This paper investigates state uses of Temporary Assistance for Needy Families financial resources. Though often thought of as a cash assistance program with work supports and behavioral requirements for low-income families with children, since passage of the 1996 welfare reform law an increasing portion of program resources have been directed to other areas. TANF funds are used for such diverse activities as childcare, refundable tax credits, and two-parent family formation initiatives. TANF is not a cash assistance program, but is instead better considered as a funding stream. Using quantitative data on state TANF expenditures, I estimate a series of models examining predictors of state categorical TANF spending. I find, consistent with other studies of state welfare policy, that the salience of race to state politics is related to expenditures. States in which whites express more negative attitudes toward blacks tend to devote fewer resources to traditional basic assistance while being more likely to use funds for pregnancy prevention and/or two parent family formation. Other factors, such as state government ideology, proportion of the population identifying as Evangelical Christian, and state fiscal distress

are relevant for some priorities, but there is little consistent structure to TANF expenditures. Limitations in the data may also mask any actual patterns, however, suggesting caution in interpreting results.

Introduction

Temporary Assistance for Needy Families (TANF), commonly called "welfare" in the United States, is often viewed as a cash assistance program with accompanying work activities and services for low-income families. The structure of the TANF program, however, affords states extensive flexibility over the use of program resources. As of 2013, traditional cash benefits, work activities, supportive services, and childcare—the assumed core of TANF—combined to account for approximately one-half of all program expenditures; basic assistance itself accounted for only approximately one-quarter of overall spending (Center on Budget and Policy Priorities, 2015). The remainder of program resources are directed to other areas, including such diverse priorities as refundable tax credits and pregnancy prevention and two-parent family formation initiatives. Contemporary welfare in the form of TANF is not a cash assistance program for low-income families. Rather, it is best understood as a flexible funding stream that states partially use to support cash assistance and work activities (Falk, 2013). While TANF is now more a funding stream than a cash assistance program, most scholarship on TANF implementation—both on state-level policy choices and the effects of policy choices—examines the rules and activities associated with traditional cash benefits. Only a handful of studies have considered TANF as a funding stream, yet examining how TANF funds are used is key to understanding welfare in the modern era. There have been recent proposals to model reforms to other programs, such as the Supplemental Nutrition Assistance Program (SNAP; "Food Stamps") and the public health insurance program Medicaid on TANF. Deeper scrutiny of TANF as a funding stream is therefore useful for evaluating the potential consequences of such changes.

In this paper, I update state TANF scholarship to better reflect its status as a funding stream rather than as a cash assistance program. I estimate a set of models of state-year TANF expenditures from 2000 to 2013, with categorical spending modeled as a function of a variety of political, social, and economic factors. I pay particular attention to the salience of race to state politics. The politics of race has long been found to be related to welfare implementation in the United States, but it is unclear whether this pattern is evident under TANF as a funding stream. In contrast to previous studies, which generally used demographic measures of racial salience, I partially operationalize racial salience using a measure of the prevalence of extremely negative stereotypes of blacks among whites constructed with multi-level regression with post-stratification (MRP) and the 2008 National Annenberg Election Survey (NAES) (Annenberg Public Policy Center, 2010). For categories of spending, such as traditional basic assistance, in which almost all states expend resources in almost all years, I estimate multi-level linear models of expenditures nesting state-years in states. Expenditures are expressed as a per-family-in-poverty value and as a percentage of total state-year TANF spending. There are several categories, such as pregnancy prevention and two-parent family formation, in which a relatively large number of states expend no effort, sometimes in all sampled years. For these categories, I estimate a set of logistic regression models of the probability of a state devoting any TANF resources to the category.

Consistent with earlier scholarship on welfare in the United States, I find a relationship between TANF expenditures and the relevance of race to state politics. States in which negative views of blacks are more prevalent among whites devote fewer resources to traditional cash assistance. These states are also more likely to use TANF resources for pregnancy prevention and two-parent family formation initiatives, and there is suggestive evidence of a relationship between white attitudes toward blacks and expenditures on refundable tax credits. The study also provides an opportunity to explore the relevance of other political, social, and economic characteristics to state TANF effort, though

there are no consistent predictors across categories. In particular, the proportion of the state population identifying as Evangelical Christian is relevant for several categories, particularly when TANF effort is measured in dollars. Additionally, state fiscal stress is related to expenditures on Social Services Block Grant transfers. I conclude by discussing the implications of TANF as a flexible funding stream, both for TANF itself and for other programs being considered for parallel reforms.

Background

Race & State Welfare Flexibility Over Time

Welfare as cash support to low-income families in the United States has varied widely over time in the degree of flexibility afforded to states. Its history actually begins with decisions by the states during the Progressive era. A majority of states, in response to organized political action by women's groups, created pension programs for widowed mothers to facilitate care of children in the home in the absence of a male breadwinner (Allard, 2004; Skocpol, 1992; Weaver, 2000). These pension programs provided eligible mothers with a direct cash benefit, in theory allowing them to forgo work and focus on childrearing. In a prelude to the implementation of welfare throughout its history, these programs were generally underfunded and included behavioral and other rules operationalizing notions of deservingness (Skocpol, 1992). Though tied to a national political movement, the pension programs were entirely a state affair, and states naturally had leeway over funding and administration. From the outset, redistribution to poor families in the United States was influenced by the politics of race. State and local governments restricted participation by black families; while white mothers were expected to focus on childrearing, black mothers were expected to work (Noble, 1997; Ward, 2005).

Though the seeds of the American welfare state were planted prior to the Great Depression, the New Deal legislation of the 1930s vastly expanded the scope of American

social policy. Key social insurance and social welfare programs, such as Social Security and the Food Stamps Program (now the Supplemental Nutrition Assistance Program) were established during this period. Among these, contained in the Social Security Act of 1935, was Aid to Dependent Children (ADC), the first federal program typically considered "welfare." ADC was essentially a continuation of the state pension programs, but now with a partial federal match of state expenses. States maintained extensive discretion over program administration and frequently devolved control to lower levels of government. As with the pension programs, ADC was generally considered a program for "deserving" white mothers, with both formal program rules and informal administrative practice limiting participation by black families (Lieberman, 1998; Ward, 2005).

The 1960s were a period of change in welfare. ADC was renamed Aid to Families with Dependent Children (AFDC) in 1962. The change was largely symbolic, intended to address the perception that the availability of cash benefits for low-income mothers disincentivized marriage, and there were no systematic changes to state authority over welfare as a result (S. W. Blank & Blum, 1997). Less symbolic change, however, soon followed. The civil rights movement and, later, the welfare rights movement brought political pressure to bear on racial differences in treatment by the welfare system (Lieberman, 1998). In particular, Supreme Court cases in the late 1960s and early 1970s struck down many of the policy tools states used to selectively administer aid (Katz, 1989). AFDC became a de facto categorical entitlement to low-income families with children (especially single-mother headed families). States retained control over benefit levels but lost their discretion over eligibility criteria, and caseloads rapidly expanded[1] (Katz, 1989; Weaver, 2000). Even if more challenging for states to exclude particular racial or ethnic groups from participation in AFDC, race-patterned differences remained. In particular, states with larger populations of blacks tended to offer less generous welfare benefits (Johnson, 2001; Orr, 1976; Soss et al., 2011; Tropman & Gordon, 1978).

[1]While the late 1960s is often believed to be the beginning of a major expansion of AFDC rolls, Lieberman (1998) traces the overall trend of rising caseloads to the early 1950s.

A degree of state discretion returned to AFDC beginning in the 1980s. The Reagan administration granted fourteen states waivers of federal AFDC requirements, called section 1115 waivers, to allow them to experiment with alternative approaches to economic relief (C. Harvey et al., 2000; Teles, 1996; Weaver, 2000). These experiments continued into the George H.W. Bush administration (twelve states) and greatly expanded in the initial years of the Clinton administration (forty-three states)[2](C. Harvey et al., 2000). In particular, states were encouraged to evaluate programs that moved beneficiaries off of the welfare rolls and into the labor market. In contrast to previous forms of welfare discretion, states granted waivers had flexibility over the uses of program funds; resources were no longer devoted just to cash assistance, but to other types of interventions such as job readiness training. The welfare waivers era pointed toward the ultimate form of a revised cash assistance system, one oriented to the low-wage labor market.

"Welfare" had never been a popular policy. It was believed by many to encourage adverse behaviors, such as engendering dependency, disincentivizing work, and facilitating family breakdown (Ellwood, 1988; Mead, 1986; Noble, 1997). Some on the political left disliked welfare because of its meager benefits and demeaning rules (Ellwood, 1988) while more radical observers maintained that the welfare system was a means of social control, providing government with a tool to manage political unrest (Piven & Cloward, 1971). There were multiple attempts to reform AFDC. The Nixon administration, for instance, proposed replacing AFDC and other transfer programs for poor families with children with a limited form of guaranteed income, the Family Assistance Plan (FAP) (Quadagno, 1990; Steensland, 2006). Less extreme attempts at reform similarly failed, subject to gridlock despite widespread dissatisfaction with AFDC (Weaver, 2000).

In the early 1990s, Presidential candidate Bill Clinton partly campaigned on a promise to "end welfare as we know it." Despite some skepticism, a window had opened for sub-

[2]Some of these states had only just begun implementing changes to AFDC at the passage of PRWORA, and though granted waivers had not truly altered their AFDC programs prior to the transition to TANF (C. Harvey et al., 2000).

stantial change to the provision of welfare. Clinton's promise to alter welfare was shortly followed by the 1994 ascendancy of a Republican-controlled Congress seeking government reform. Thus, the issue was on the policy agenda, and the major players were all amenable to change. There were substantial differences of opinion between the Clinton administration and Congress over the substance of reform. While both sides, for instance, agreed that work should be central to reform efforts, some administration reform plans guaranteed work while plans favored by majority party leadership enforced private-sector work (Noble, 1997). The Clinton administration vetoed two bills passed by Congress before finally signing the Personal Responsibility and Work Opportunity Reconciliation Act[3], ending Aid to Families with Dependent Children and replacing it with Temporary Assistance for Needy Families (Weaver, 2000).

State Flexibility Under TANF

TANF Structure

Temporary Assistance for Needy Families returned a great deal of authority over welfare policy to the states. Broadly, TANF is structured as a federal block grant with a partial state "maintenance of effort" (MOE) contribution. In contrast, under AFDC the federal government partially matched state spending, with no limit, at pre-set rates. The base TANF grant amount is based on state expenditures on AFDC (and some related programs to accommodate states experimenting with alternative approaches to relief under waivers) in the early 1990s. This base grant amount has never been adjusted for inflation, nor does it vary with economic conditions[4]. Thus, the value of the federal grant has, over time, declined by approximately one-third simply through the changing

[3]These vetoes were driven in large part by provisions related to alteration of Medicaid disfavored by the administration, not by preferences with respect to AFDC (Weaver, 2000).

[4]Supplemental funds are available to states that historically devoted less effort toward poverty alleviation and to states experiencing population shifts.

value of the dollar[5]. Both the block grant and maintenance-of-effort contribution can be used for purposes other than cash assistance and work and, as will be discussed shortly, TANF's structure contains incentives for states to use program resources for other activities. While unused block grant funds can be carried over, the MOE requirement must be met annually (Falk, 2013).

The federal grant with partial state match structure appears straightforward, but there are several enumerated provisions and informal incentives built into TANF that are important for understanding the program's status as a funding stream rather than a distinct program. States can use TANF resources for any purpose consistent with the four goals of reform: ending dependence on public support through work and marriage, encouraging the formation and maintenance of two-parent families, reducing the incidence of out-of-wedlock births, and facilitating care of children in their own homes[6]. As "welfare-to-work" was a key purpose of reform, states must meet a work activity target, a proportion of the cash assistance caseload participating in work or work-related activities. However, this target can be reduced by one percentage point for each one percentage point decline in the caseload or by providing an MOE contribution greater than the baseline requirement (Falk, 2013). The overall incentive, then, is for states to maintain or even increase their overall levels of spending, at least in nominal dollars, but to direct resources to areas other than basic assistance, thereby meeting spending requirements while reducing the state's work activity burden.

Race & State TANF Implementation

With respect to cash assistance, states have broad discretion over program design. There are overarching federal guidelines (e.g., a five year time limit on benefit receipt, a

[5]Overall TANF spending has declined much more slowly as states have used more of their own resources toward MOE. However, additional MOE does not indicate new programming has been created. A state can count existing efforts as MOE, and receives benefits (e.g., reduced work activity targets) for doing so (Schott & Floyd, 2017).

[6]I.e., avoiding engagement with the child welfare/foster care system.

requirement that the adult beneficiary engage in work activities within two years), but states are free to enact stricter rules than the federal baseline and may add their own requirements. A number of studies in the wake of welfare reform considered, given state flexibility over policy implementation, the correlates of particular policy approaches (e.g., generosity of benefits, strictness of rules). Factors such as legislative ideology (Shor, Berry, & McCarty, 2010), labor market conditions (De Jong, Graefe, Irving, & St. Pierre, 2006), business interest group power (Klarner, Mao, & Buchanan, 2007), representation by women and racial/ethnic minorities in state government (Preuhs, 2006; Reingold & Smith, 2012), and institutional characteristics such as multi-member electoral districts (Larimer, 2005) were found to be related to cash assistance generosity and strictness of program rules. In particular, however, several of these works consider the relationship between race and policy design. States with proportionally larger black populations or cash assistance caseloads tended to design more restrictive and punitive cash assistance programs (Fellowes & Rowe, 2004; Gais & Weaver, 2002; Reingold & Smith, 2012; Soss et al., 2011, 2001). This connection may also be subject to spillover effects from other, more overtly race-related policy conflicts (e.g., display of the Confederate flag) that make race salient to politics at a given point in time (H. E. Brown, 2013).

Soss et al. (2011) propose a framework, the Racial Classification Model (RCM), to explain the connection between elite-level policymaking and individual-level racial attitudes. It maintains that, with respect to social policy, 1) decision-makers require cognitive shortcuts for evaluating target populations, 2) when race is a salient element of a policy, stereotypes can serve as a shortcut, and 3) when stereotypes are used as a shortcut, the size of the gap between perceptions of the target population and desired behavior influences the nature of the preferred policy approach. The RCM is an outgrowth of the social construction or policy design approach for understanding social policy proposed by Schneider and Ingram (1993), though it advances on earlier theories by considering social-psychological microfoundations that then aggregate into policy outcomes. The au-

thors apply the theory to multiple levels of welfare policymaking, from broad national and macro-historical trends to the decisions of street-level bureaucrats.

State TANF Expenditures

The studies discussed previously deal exclusively with TANF as a cash assistance program, considering the rules and requirements associated with participation in traditional basic assistance. Research approaches range from examination of single policies, such as adoption of a family cap or a strict time limit (Soss et al., 2001), to simple researcher-constructed scales (Fellowes & Rowe, 2004; Soss et al., 2001), to complex measures generated using latent variable modeling (De Jong et al., 2006). While important and enlightening for understanding the decisions of states post-welfare reform, examining cash assistance requirements does not accurately reflect the fact that TANF is no longer primarily a traditional cash assistance program. As shown in Figure 3.1 and Figure 3.2, cash assistance as a use of combined state and federal TANF resources has declined dramatically over time. In contrast, expenditures on alternative priorities have, in several categories, risen (tax credits, short-term benefits, pregnancy prevention/two-parent family formation, and most especially miscellaneous, poorly defined categories labeled here as "Other"). Work activities and supportive services have, after an uptick in the early years of TANF, undergone a slight decline, while child care spiked quickly after TANF phase-in, then also began a gradual decline. Expenditures on transfers from TANF to the Social Services Block Grant and administration have remained roughly constant in adjusted dollars. Most TANF implementation research, then, focuses on a receding area of the program; alternative expenditure areas, not basic assistance, now account for the bulk of resources used under the umbrella of TANF.

A handful of studies have treated TANF as a funding stream rather than a cash assistance program. Two—Rodgers and Tedin (2006) and Matsubayashi and Rocha (2011)—examined overall TANF spending, the former cross-sectionally in 2002 and the latter AFDC

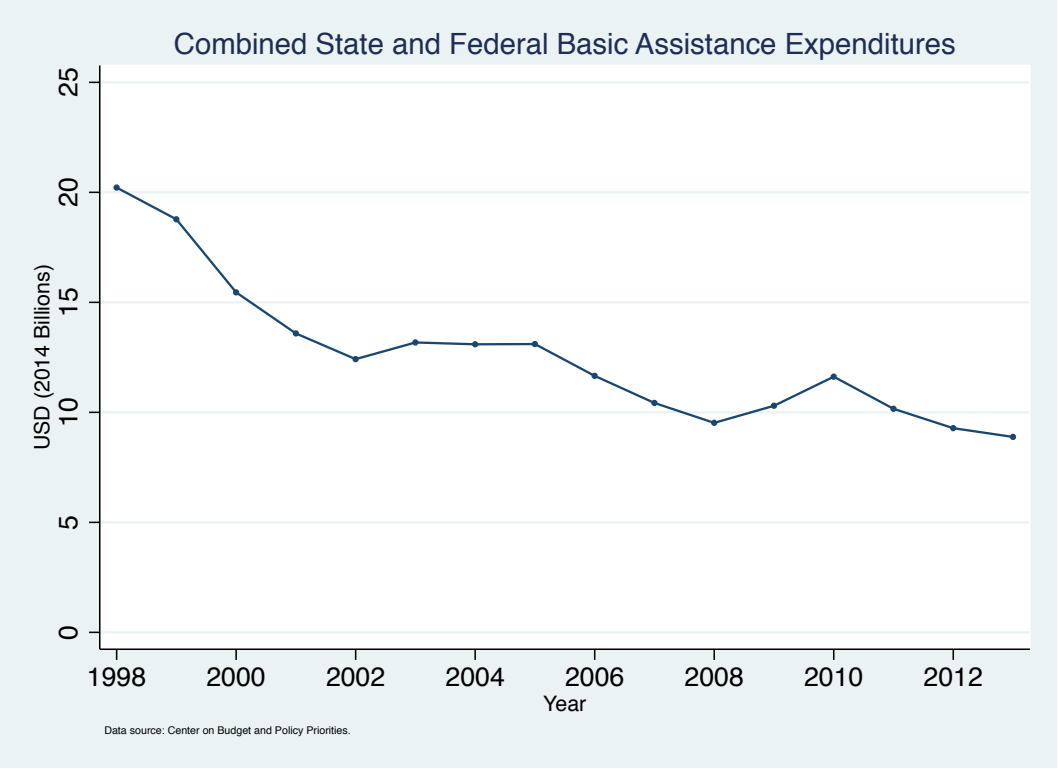


Figure 3.1: National expenditures on basic assistance, 1998-2013 (2014 U.S. billions).

and TANF spending from 1980 to 2000. Notably, both found an inverse relationship between proportion of the state population identifying as black and state welfare effort. These studies, however, concern only overall financial effort, not how funds are used. Lambright and Allard's (2004) examination of transfers from the Temporary Assistance for Needy Families grant to the Social Services Block Grant (SSBG) offers the sole peer-reviewed study of categorical TANF spending. They did not find a relationship between race and SSBG transfers, but did find that state propensity toward innovation (as measured by timing of waiver adoption under AFDC) and degree of cash assistance caseload decline were related to transfer amounts. Policy analysis groups such as the Urban Institute (Hahn et al., 2012) and the Center on Budget and Policy Priorities (Schott et al., 2015) have examined state categorical TANF spending. These studies, however, are descriptions of how states use TANF funds, and do not evaluate correlates and determinants of particular expenditure patterns. Finally, Allard (2009) considered the consequences of

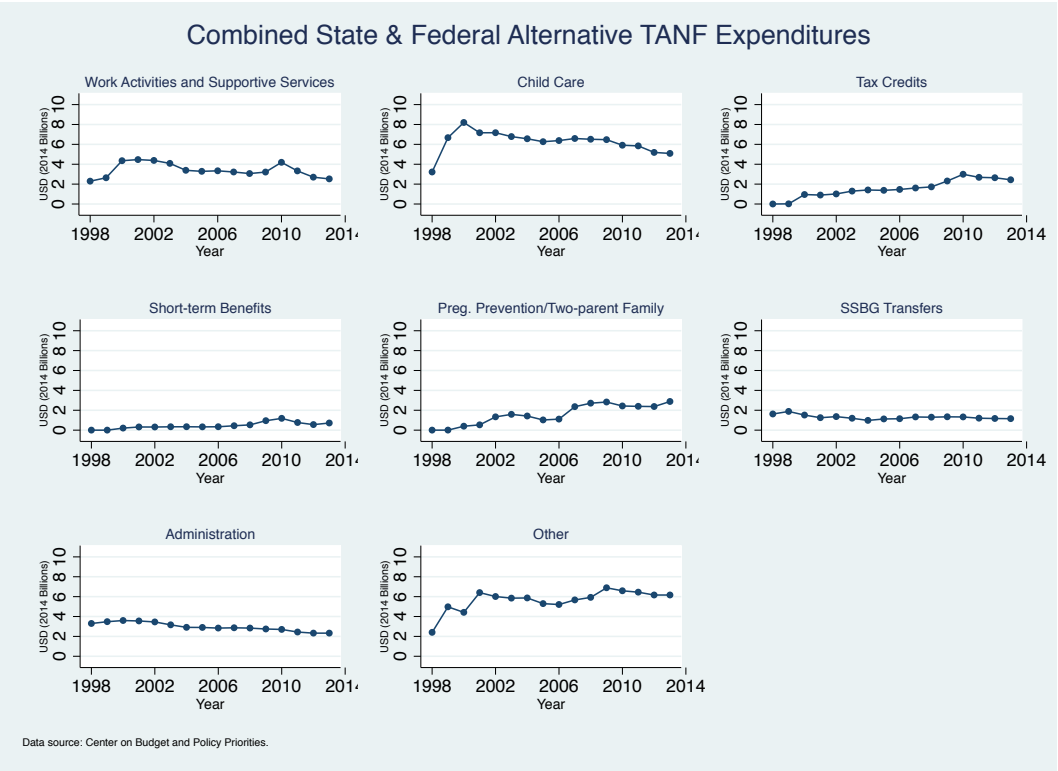


Figure 3.2: National expenditures on alternative TANF activities, 1998-2013 (2014 U.S. billions).

a service-based rather than a cash-based welfare system for low-income populations, but also did not scrutinize interstate variation in priorities justified under TANF.

Research Questions & Expectations

Given that TANF is more a funding stream than a cash assistance program, there is a mismatch between its current form and state TANF scholarship. Research on TANF implementation focuses almost entirely on cash assistance and the rules associated with cash assistance. Those studies of TANF expenditures that have been conducted are limited in many ways, either only examining total TANF expenditures, a single category of expenditures, or merely providing description without analysis of underlying patterns. What state-level factors, then, explain differences in categorical TANF spending? In particular, is there a relationship between state-level racial politics and state use of TANF resources? Consistent with existing scholarship, I expect to find a relationship between the salience of race to state politics and patterns in the use of TANF as a flexible funding stream. The politics of anti-poverty policy in states where race is more salient to policy-making are qualitatively different from other states with respect to poverty policy. There is extensive existing evidence for such a relationship, stretching from early mother's pensions (Ward, 2005), to post-entitlement expansion AFDC benefits (Orr, 1976; Tropman & Gordon, 1978), and to TANF cash assistance rules (Fellowes & Rowe, 2004; Soss et al., 2001). It has not, however, been extensively examined in the context of TANF as a funding stream.

The notion that race-oriented politics should influence TANF expenditures follows from two key propositions. First, TANF provides states with extensive flexibility over program resources and includes incentives, such as the work activity requirements and caseload reduction credits, for diverting resources to areas other than cash assistance. Subnational politics should then influence the ways in which states respond to these incentives. Second, following from the RCM and related theories, the "policy image" with

respect to target population influences policy design; when race is relevant to the policy area, racial stereotypes become part of the image (Soss et al., 2011). In conjunction, these two tenets suggest that the relevance of race to policymaking will influence state decision-making with respect to TANF fund uses. States in which race is more salient to welfare politics can use resources in ways consistent with stereotypes. Most obviously, racial salience should be related to basic assistance expenditures. While all states should, over time, de-emphasize basic assistance, states in which race is salient to politics should use the flexibility afforded by TANF to move away from traditional welfare to a greater degree than other states. In any given year, then, states in which race is salient to politics will devote fewer resources to basic assistance compared to other states. This proposition follows naturally from earlier scholarship, as these states tend to have lower benefit levels, adopted more stringent cash assistance rules, and experienced sharper initial caseload declines compared to peer states (Bentele & Nicoli, 2012; Fellowes & Rowe, 2004; Soss et al., 2011, 2001). There is already evidence, then, of these states deliberately choosing to limit the role of cash assistance in the TANF era, and basic assistance expenditures are simply one more area where such a pattern should be detectable.

If states in which race is more salient to politics devote fewer resources to basic assistance but total TANF spending remains relatively steady, then these states should also spend proportionally more on alternative priorities using TANF funds. The flexibility to make particular choices regarding the use of TANF funds, then, could also lead to patterns in alternative uses of TANF resources. How this relationship might manifest, though, is less clear than for basic assistance. A few propositions can be reasonably forwarded, however. First, states in which race is more salient might simply seek to maintain spending levels in the least intrusive way possible, with no particular structure, while de-emphasizing cash assistance. Evidence of this proposition would take the form of greater spending in miscellaneous categories ("Authorized Under Prior Law"/Other, described under Methods). Alternatively, these states could direct funds toward socially correc-

tive programs, such as two-parent family formation/maintenance initiatives and out-of-wedlock birth prevention. Nuclear family breakdown was a much-discussed problem during the debate over welfare reform, and the dialogue surrounding issues associated with single-mother families often reflected racial stereotypes (Hancock, 2004). States where race is more salient, then, might use TANF to support initiatives to correct the perceived adverse behaviors of the target population[7]. Finally, these states might be more willing to use the flexibility afforded by TANF to supplement or supplant streams of funds directed toward pre-existing programs. While it is not possible to identify whether funds are used for existing programs or for programs created specifically under TANF, evidence could be found in Social Services Block Grant transfers. These propositions also need not be mutually exclusive, though if multiple patterns with the same root cause exist it could make them difficult to detect in empirical models. As has been shown in earlier studies, I expect any relationships to be particularly noticeable with respect to the salience of blacks to politics and weaker or not present with respect to Hispanics.

This study is primarily an empirical contribution to welfare scholarship, examining whether and how existing theory on the role of race in the welfare state applies to an important but under-studied aspect of TANF. However, as discussed under "Methods," I approach measurement of racial salience slightly differently than the majority of previous studies. My general theoretical approach is essentially an outgrowth of Soss et al.'s (2011) Racial Classification Model, but I focus on the depths with which stereotypes are held rather than the presence of racial/ethnic minorities in the target population to operationalize racial salience. Race is central to the policy image of "welfare," and at the individual level racial attitudes and welfare attitudes covary among whites (Federico, 2004; Gilens, 1999; Hancock, 2004; Kinder & Sanders, 1996). The depth with which racial stereotypes are held, then, should be an equally valid measure of racial salience as

[7]Note the *perceived* behaviors of the target population need not be equivalent to the *actual* behaviors of the target population. State governments are not rationally responding to a genuine local problem. Rather, they are, if the general theoretical approach is correct, responding to assumed problems based in racial stereotypes.

caseload or population demographics.

Methods

Models

TANF has been in place for nearly twenty years, so observations of state spending are available for all fifty states over a significant period of time. The drop in basic assistance and rise in alternative priorities truly began in the early 2000s, so my dataset commences with observations in the year 2000 and concludes in 2013 ($N = 700$, $n = 50$, $t = 14$). For categories in which almost all states expended resources in almost all years (basic assistance, work activities/supportive services/childcare, administration, and the catch-all category authorized under prior law (APL)/other) I estimate a set of multi-level linear models[8] with each state-year observation nested within a state (i). Time is treated categorically using indicator variables for each year (t). State-specific intercepts are modeled through random effects—group deviations from a population grand mean. These deviations are assumed to follow a normal distribution with mean zero and variance σ^2. Predictor variables can be at the individual state-year observation level or at the state level (that is, time invariant within state) (Gelman & Hill, 2007; Raudenbush & Bryk, 2002). Time invariant variables explain a portion of the state-specific random intercepts.

A concern with this type of model is violation of the assumption of independence between the lowest-level variables and the grouping variables (i.e., the random effects). A systematic relationship between a state-year predictor and the state error could result in smaller-than-appropriate standard errors and, in turn, misleading inferences. Including the group (state) mean of the time-varying predictor as a time-invariant variable adequately addresses this issue by using the mean to explain a portion of the unit-specific

[8]Models of this form have a variety of names that differ by academic field, including random effects models, multilevel models, hierarchical models, and error-components models. These terms are equivalent, each describing a model in which group disturbances within a population are modeled as following a distribution, and differ only due to disciplinary conventions.

intercept (Gelman, 2006; Raudenbush & Bryk, 2002)[9]. The "fixed effects"[10] (population-averaged) portion of the model is of greatest interest in this analysis, with the random component controlling for clustering within states. The fixed effects parameters in these models are interpreted identically to coefficients in a standard linear model—the amount of change in the dependent variable for a one-unit change in the predictor variable holding all else constant. Reports of zero value expenditures are treated as true zeroes in these models[11].

As shown in Table 3.1, for expenditure categories such as pregnancy prevention and two-parent family formation, zero reports are quite common in some years (particularly early in TANF's history) and/or some states, with a few states *never* expending effort in a given category. The preponderance of zero values severely biases linear model estimates downward, and the structure of the data prohibits implementation of a selection model accounting for both the decision to expend resources in a category and the amount of resources used in non-zero state-years. I therefore treat the expenditure of resources by a state in these categories as a discrete, binary choice rather than a dollar value. The outcome variable is a simple indicator coded 1 if the state expended resources in the category in the given year. I model these choices with cross-sectional logit models and present results from a subset of years—2001, 2006, and 2012 (n=50 for each model). The distributions of the continuous outcome variables, discussed in a forthcoming section, are unusual even after applying a transformation to more closely approximate normality. Violation of regression assumptions is a distinct possibility, and so I estimate robust standard errors for all models[12].

[9]Note that the interpretation of the group-mean coefficient is not intuitive. The unique influence of the group mean on the outcome is easily derived, however, by simply summing the coefficient on the state-year variable and the coefficient on the state mean variable (Raudenbush & Bryk, 2002)

[10]In the multilevel modeling context, "fixed effects" refer to the parameters of the population-averaged portion of the model, not, as is common in econometrics, to an indicator variables approach to panel data.

[11]That is, they are treated identically to any other value of the dependent variable.

[12]The properties of robust standard errors in small samples are suspect (Angrist & Pischke, 2009). Given that fewer coefficients are statistically significant using the robust standard errors, however, they are presented here as the more conservative option.

Table 3.1: Proportion of state-years in which any resources expended in category, 2000-2013.

Category	Proportion
Basic assistance	0.999
Work/services/childcare	1.000
Tax credits	0.290
Short-term benefits	0.614
Preg. prevent/two-parent family	0.736
SSBG transfers	0.834
Administration	0.994
APL/Other	0.911

700 state-years; 50 states in 14 years.

Dependent Variables

The dependent variables are constructed from categorical state-year TANF expenditures as reported to the Administration for Children and Families (ACF) (2014). The raw ACF data are divided into multiple categories further split by funding stream (e.g., federal block grant funds, state MOE, supplemental federal funds). The Center on Budget and Policy Priorities (2015) (CBPP) cleans and distills this data into a set of summary categories and is, in turn, the source of the spending information used to construct the dependent variables. The categories of expenditures used in this study are basic assistance, work activities/supportive services/child care, tax credits, short-term benefits, pregnancy prevention and two-parent family formation, Social Services Block Grant transfers, administration, and Authorized Under Prior Law (APL)/other. With the exception of work activities/supportive services/child care, these categories are identical to those constructed by CBPP.

Basic assistance captures traditional cash benefits for low-income families. Work, services, and child care includes those additional activities typically thought to be the core of TANF—subsidized work, transportation assistance, job training, and child care (including transfers to the Child Care and Development Fund, another federal grant program)[13]. This category is the sum of CBPP's work-related activities/social services and child care categories. Tax credits are funds used on refundable tax credits, such as state Earned Income Tax Credits, while short-term benefits are extremely time-limited or lump sum cash or cash-equivalent transfers (also referred to as diversion payments) provided in lieu of formal participation in cash assistance. Pregnancy prevention/two-parent family formation and maintenance and Social Services Block Grant transfers are fairly self-explanatory. Authorized under prior law(APL)/other is a catch-all category for otherwise uncategorized expenditures, reported to the federal government as expenses on programs authorized prior to passage of PRWORA and miscellaneous but allowable expenses[14].

Some cleaning and transformation procedures are required before the expenditure data can be meaningfully used. First, state accounting practices result in occasional reports of negative expenditures in a category, a seemingly non-sensical value. These reports are a product of states being able to correct previous reports by including the value of the correction in a later report (e.g., if a state retroactively determines it over-reported in a given year or years, it can correct the over-report by subtracting the value from the category in the current year). As it is not possible to determine to which years corrections apply, I treat these negative reports as zeroes[15]. Next, to account for variation in state size I scale expenditures in two ways. First, I create a set of variables I term

[13]Importantly, even these activities do not have to be directed toward cash assistance beneficiaries, those at risk of requiring benefits, or those who have left the cash assistance rolls.

[14]Opacity is a distinct problem with the TANF expenditure data. While these broad categories, with the exception of APL/other, appear self-explanatory, states report little information to the federal government beyond dollar values with respect to TANF-funded activities. The state of Michigan, as an example, reports college scholarships for middle class students as a pregnancy prevention activity under TANF (Wilkinson, 2016). Given existing reporting procedures, however, there is no way to re-categorize such expenses. They are simply pooled with other activities more intuitively associated with the topical category.

[15]Negative corrections not resulting in values less than zero and positive corrections are also possible, but are undetectable. These over- and under-reports likely add substantial noise to the data.

"effort-to-need," scaling expenditures expressed in constant dollars (2014 thousands) to the estimated count of families in poverty in a state (Center on Budget and Policy Priorities, 2015). To ensure only a single value varies over time, I hold the denominator constant by using the 2000 to 2013 average count. For modeling purposes, I apply an inverse hyperbolic sine (IHS) transformation to the effort-to-need variables to improve fit. The IHS transformation is similar to a logarithmic transformation, frequently applied to skewed data. Unlike the logarithmic transformation, however, the IHS transformation can accommodate zero and negative values (Burbidge, Magee, & Robb, 1988; Friedline, Masa, & Chowa, 2015). It is interpreted analogously to a logarithmic transformation, with the coefficient approximately representing a proportional change in the untransformed outcome per unit of the predictor. In addition to effort-to-need, I also create a set of variables expressing categorical state-year TANF expenditures as a percentage of total TANF expenditures. Finally, I generate 0/1 indicator variables for expenditure categories with very large numbers of state-year reports of zero, with a 1 indicating the state reported any expenditures in the category in a given year. Descriptive statistics are shown in Table 3.2 and Table 3.3.

Key Independent Variables

The primary predictor of interest is the salience of race to state-level politics. I approach measurement of this concept differently from most previous studies, however, with respect to the salience of blacks to state welfare politics. Typically, studies of state welfare policy implementation take race into account using demographic measures, such as the racial/ethnic composition of the cash assistance caseload (Soss et al., 2001, e.g.) or the state population (Rodgers & Tedin, 2006, e.g.). Instead, I operationalize black racial salience using a measure of prevailing white affect toward blacks. Using multi-level regression with post-stratification (MRP) and the 2008 National Annenberg Election Survey (Annenberg Public Policy Center, 2010), I create a variable estimating the proportion of

Table 3.2: Dependent variable descriptive statistics, expenditures expressed as per-family-in-poverty value ("effort-to-need").

Variable	Mean	Std. Dev.	
Basic Assistance	1.747	overall	1.505
		between	1.369
		within	0.653
Work/services/child care	1.642	overall	1.312
		between	1.150
		within	0.653
APL/Other	0.826	overall	0.917
		between	0.765
		within	0.515
Administration	0.446	overall	0.314
		between	0.284
		within	0.140

700 state-years; 50 states in 14 years.
Descriptive statistics calculated from raw values.
Inverse hyperbolic sine transformation applied before analysis.
Source: Center on Budget and Policy Priorities calculations based on Administration for Children & Families data.

Table 3.3: Dependent variable descriptive statistics, expenditures expressed as percentage of total state-year TANF effort.

Variable	Mean	Std. Dev.	
Basic assistance	30.173	overall	13.029
		between	9.967
		within	8.501
Work/services/child care	30.453	overall	13.589
		between	11.743
		within	7.023
APL/Other	17.745	overall	15.809
		between	13.820
		within	7.906
Administration	8.632	overall	4.325
		between	3.110
		within	3.036

700 state-years; 50 states in 14 years.
Source: Center on Budget and Policy Priorities calculations based on Administration for Children & Families data.

whites in a state expressing extremely negative stereotypes of blacks, here defined as the respondent scoring in the top quartile in-sample on a scaled measure of stereotyping. The battery consists of six questions. A respondent rates, on a scale of 0 to 100, whether he or she feels his or her own racial group is trustworthy, intelligent, and hardworking, then whether a different racial group is trustworthy, intelligent, and hardworking. For white respondents, blacks are the racial reference group.

To implement MRP, survey data are used to model the probability that an individual holds a particular opinion given demographic and geographic (e.g., state) characteristics. Predicted probabilities are generated for each possible "type" of person based on combinations of these factors. Finally, using Census data on the prevalence of each "type" in the population, the probabilities are used to calculate estimated counts of the number of individuals holding the given view within each state (Gelman & Hill, 2007; Kastellec, Lax, & Phillips, 2010; Lax & Phillips, 2009b). I model negative racial views among white respondents as a function of respondent gender, age, and education; state and geographic region; and the proportion of the state population identifying as black, state segregation, and proportion of the state working-age population holding a bachelor's degree or greater. Additional detail on implementation of the MRP procedure for this study can be found in Chapter 2 and Appendix A. Unfortunately, the NAES does not include a parallel set of questions for attitudes with respect to Hispanics or Latinos. I therefore include proportion of the TANF cash assistance caseload identifying as Hispanic to capture the salience of Hispanic ethnicity to welfare policymaking.

Other Independent Variables

Beyond the salience of race to state politics, I include a number of other relevant political, social, and economic variables. With respect to political factors, government ideology is measured using W. Berry, Fording, Ringquist, Hanson, and Klarner's (2013)

NOMINATE-based measure rescaled to the [0 10] interval[16]. The measure uses the ideology scores of the state's federal Congressional delegation to infer party ideology and, in turn, overall state government ideology given party control. Smaller values indicate more conservative government, larger values more liberal government. A similar measure of citizen ideology is also included (W. Berry et al., 1998). Economically, state-year unemployment rate and fiscal stress account for different aspects of state fiscal conditions. The former is self-explanatory, while the latter is a variation on the fiscal health measure used by W. Berry et al. (1998) in their study of state lottery diffusion. It is calculated by subtracting state-year revenue from expenditures, then dividing by expenditures[17]. Larger values indicate greater fiscal stress. Poverty rate is also included in the percentage models[18]. Each of these variables is time varying.

A major use of TANF funds, and one that is impossible to isolate given state reporting procedures, is support for state child welfare systems (Falk, 2013). States tend to report child welfare-related expenses under a miscellaneous category, such as "APL/other." I measure need for child welfare support through the ratio of foster care cases to total number of children in the state (Annie E. Casey Foundation, 2017). Finally, religiosity could be related to state TANF spending. Most obviously, TANF's flexibility allows states to devote resources to issues, such as two-parent family formation and maintenance, perceived as moral concerns and promoted by conservative Christian organizations during the national debate over reform (Reese, 2007; Weaver, 2000). There is also evidence that identifying as an Evangelical Christian is associated with more negative views of cash assistance recipients (J. M. Wilson, 1999). The relevance of religious conservatism to politics, then, could also be associated with state basic assistance effort. This factor is measured using percentage of the population identifying as Evangelical Christian (Pew

[16]In raw form, the measure is scaled 0 to 100.

[17]In the original measure, expenditures are subtracted from revenue in the numerator. I use its opposite so that it is more easily interpreted as a measure of fiscal distress.

[18]Poverty rate is not included in the effort-to-need models due to the count of families in poverty being used to scale the dependent variable.

Research Center, 2015). The data for this variable are only available for 2014[19], so it is treated as a time-invariant predictor. I also include state-year unmarried birthrate to capture a relevant social problem. Descriptive statistics for the independent variables are shown in Table 3.4. All variables were grand mean centered prior to model estimation.

Table 3.4: Independent variable descriptive statistics.

Variable	**Mean**	**Std. Dev.**	
Time Invariant			
White stereotyping of blacks	27.021		6.177
% Evangelical	26.080		10.975
Time Varying			
Caseload % Hispanic	14.369	overall	16.233
		between	16.154
		within	2.723
Government Ideology	4.895	overall	2.554
		between	2.007
		within	1.603
Fiscal stress	-0.001	overall	0.252
		between	0.060
		within	0.245
Unemployment rate (%)	5.891	overall	2.099
		between	1.131
		within	1.775
Poverty rate (%)	12.524	overall	3.380
		between	2.927
		within	1.736
Foster care ratio	0.006	overall	0.002
		between	0.002
		within	0.001

700 state-years; 50 states in 14 years.

[19]Pew Research Center (2015) also fielded the survey producing these estimates in 2007, but the sample was not representative in all states.

Results

Multi-level Linear Models

Results from the multi-level models examining expenditures on basic assistance; work, supportive services, and child care; APL/other; and administration are shown in Table 3.5 (IHS transformed effort-to-need) and Table 3.6 (percentage). As the main predictors of interest, coefficient estimates for the racial salience variables are presented visually in Figure 3.3 for the IHS transformed effort-to-need models and Figure 3.4 for the percentage models (the symbols represent the point estimate of the coefficient while the bars are 95% confidence intervals). The white racial attitudes variable is statistically significant and negatively signed in both the effort-to-need and percentage models of basic assistance effort. Fewer resources are directed toward traditional cash assistance in states where negative stereotypes of blacks are more common among whites. In the effort-to-need model, a one percentage point increase in whites expressing negative stereotypes of blacks is associated with an approximately 3% decrease in resources devoted to basic assistance. In the percentage model, the same one percentage point increase in white stereotyping is associated with a slightly more than three-quarters of a percentage point decrease in basic assistance as a percentage of overall TANF effort. It is not statistically significant in any other of the four effort-to-need models, but is significant at $\alpha = 0.10$ in the percentage model for administration. A one percentage point increase in whites expressing negative views of blacks is concurrent with a 0.190 percentage point reduction in administrative spending.

As anticipated, there are relationships between expenditures and proportion of the cash assistance caseload identifying as Hispanic, but they are relatively fleeting. Neither the time-varying or time-invariant components are statistically significant in either of the basic assistance models. In the effort-to-need model for work, services, and child care, the time-varying component is positively signed and significant (0.0154) while the time-

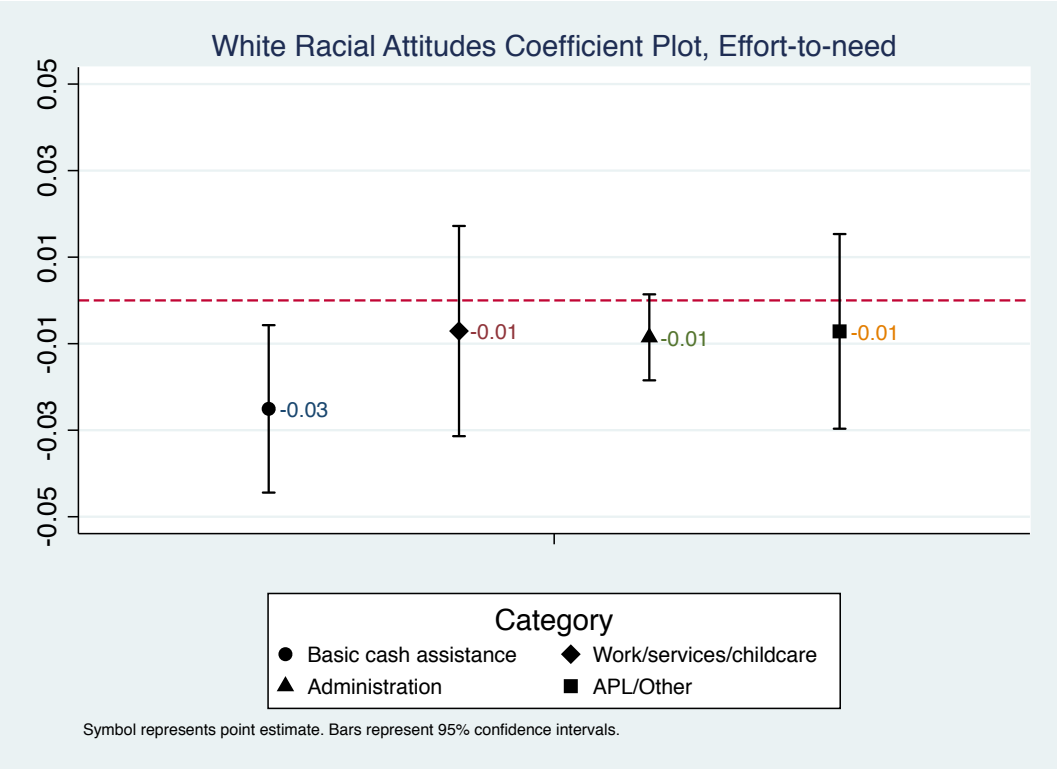


Figure 3.3: Plot of coefficient estimates and 95% confidence intervals, relationship between prevalence of white stereotypes of blacks and categorical TANF spending (expenditures scaled to count of families in poverty and inverse hyperbolic sine transformation applied).

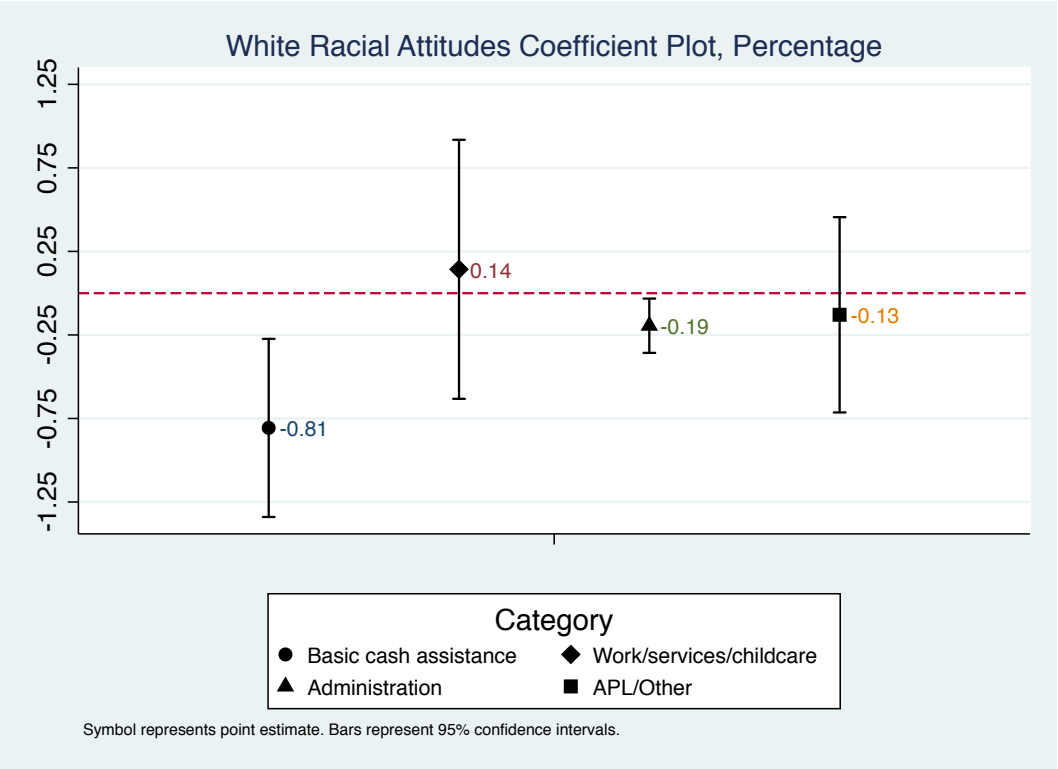


Figure 3.4: Plot of coefficient estimates and 95% confidence intervals, relationship between prevalence of white stereotypes of blacks and categorical TANF spending (expenditures expressed as percentage of total TANF spending).

invariant component is negatively signed and significant (-0.0249). The time varying component indicates that a one percentage point increase in the fraction of the cash assistance caseload identifying as Hispanic coincides with a 1.5% increase in effort devoted to work, services, and child care. However, in general, states with larger proportions of the caseload composed of Hispanics tend to devote fewer resources to these priorities, at least initially. As noted previously, the time-invariant component is a composite effect that must interpreted in concert with the time-varying component. The actual "contextual effect" within state across time is -0.0095, considerably lower in magnitude than might be expected through direct interpretation of the coefficient on the time-invariant component.

Socially, a larger proportion of the state population identifying as Evangelical Christian is also associated with reduced effort on basic assistance, work/services/child care, and administration in the effort-to-need models. It is also negative, but not statistically significant, for basic assistance and work/services/child care when examined as percentages. It is positively signed for APL/Other in both model forms, but is only significant in the percentage model. While the time-varying component of foster care ratio is not statistically significant in any model, the time-invariant element for basic assistance and work, services, and child care is significant in the effort-to-need specification. Increases in government liberalism are associated with increased basic assistance spending, but the coefficient is only significant (at $\alpha = 0.10$) in the effort-to-need model. Citizen ideology is also periodically statistically significant in either its time-varying or time-invariant forms. With respect to economic conditions, increases in unemployment are negatively associated with expenditures on work/services/child care; a parallel result also appears for poverty in the percentage model. Fiscal stress is associated with increased expenditures on work/services/childcare but only achieves significance in the effort-to-need specification.

Table 3.5: Parameter estimates of multilevel models of IHS transformed state categorical TANF expenditures (expenditures scaled to count of families in poverty), 2000-2013.

	Basic Assistance	Work/services/ child care	APL/Other	Admin
Fixed Component				
State-year varying				
% Hispanic	0.00729	0.0154***	-0.00653	-0.00181
	(0.00763)	(0.00458)	(0.00787)	(0.00231)
Gov't ideology	0.0139+	0.0160*	0.00540	-0.00707*
	(0.00812)	(0.00743)	(0.00989)	(0.00308)
Cit. ideology	-0.0142	0.0186	-0.0450+	-0.0137
	(0.0199)	(0.0199)	(0.0271)	(0.0141)
Unemployment	0.0177	-0.0470*	0.0597**	-0.00217
	(0.0182)	(0.0187)	(0.0207)	(0.00782)
Foster care ratio	0.00716	-0.0251	-0.00967	0.00203
	(0.0131)	(0.0311)	(0.0349)	(0.00665)
Fiscal stress	0.102	0.160*	0.151	0.0256
	(0.0972)	(0.0696)	(0.105)	(0.0494)
Time invariant				
White stereotyping of blacks	-0.0251*	-0.00709	-0.00716	-0.00854+
	(0.00987)	(0.0124)	(0.0115)	(0.00507)
% Evangelical	-0.0197**	-0.0235***	0.000652	-0.00878**
	(0.00721)	(0.00690)	(0.00731)	(0.00332)
% Hispanic (state mean)	-0.0109	-0.0249***	0.0137	-0.000890
	(0.00838)	(0.00568)	(0.00916)	(0.00308)
Gov't ideology (state mean)	0.0469	0.0818*	-0.0672+	0.0188
	(0.0326)	(0.0396)	(0.0388)	(0.0161)
Cit. ideology (state mean)	0.0910	-0.0343	0.169*	0.0586*
	(0.0596)	(0.0630)	(0.0801)	(0.0271)
Foster care ratio (state mean)	0.0718**	0.0827*	0.0277	0.00685
	(0.0271)	(0.0333)	(0.0471)	(0.0132)
Unemployment (state mean)	-0.00671	0.0678	0.0457	0.0117
	(0.0558)	(0.0596)	(0.0669)	(0.0197)
Fiscal stress (state mean)	1.556*	1.625	-1.575	0.205
	(0.717)	(1.017)	(1.577)	(0.253)
Random Component				
Var (constant)	0.096	0.126	0.150	0.026
	(0.023)	(0.024)	(0.033)	(0.006)
Var (residual)	0.036	0.044	0.078	0.011
	(0.006)	(0.012)	(0.018)	(0.002)
Log likelihood	78.638	10.327	-182.359	490.484
BIC	39.256	175.879	561.251	-784.435
N	700	700	700	700

Robust standard errors in parentheses. Year indicator variables included but not presented.
Expenditures scaled by average count of families in poverty, 2000-2013.
$^{+}$ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 3.6: Parameter estimates of multilevel models of state categorical TANF spending expressed as percentage of overall TANF spending, 2000-2013.

	Basic Assistance	Work/services/ child care	APL/Other	Admin
Fixed Component				
State-year varying				
% Hispanic	-0.00240	0.426**	-0.367	-0.190+
	(0.330)	(0.153)	(0.268)	(0.101)
Gov't ideology	0.380	0.524+	-0.472	-0.210*
	(0.277)	(0.276)	(0.407)	(0.0926)
Cit. ideology	0.320	2.102*	-1.634*	0.0248
	(0.881)	(0.884)	(0.684)	(0.257)
Unemployment	0.318	-1.499**	2.388**	-0.421
	(0.756)	(0.534)	(0.757)	(0.303)
Poverty	0.118	-0.429*	0.362	0.0130
	(0.244)	(0.218)	(0.262)	(0.0971)
Foster care ratio	0.349	-0.714	0.734	-0.0560
	(0.847)	(0.701)	(0.679)	(0.191)
Fiscal stress	-0.941	1.111	-0.605	-0.0674
	(3.239)	(2.760)	(3.028)	(1.333)
Time invariant				
White stereotyping of blacks	-0.807**	0.143	-0.129	-0.195*
	(0.272)	(0.396)	(0.298)	(0.0829)
% Evangelical	-0.0636	-0.222	0.687*	0.0165
	(0.207)	(0.300)	(0.277)	(0.0609)
% Hispanic (state mean)	-0.0801	-0.707***	0.695*	0.154
	(0.350)	(0.175)	(0.290)	(0.108)
Gov't ideology (state mean)	-0.0949	2.020	-3.667***	-0.183
	(0.827)	(1.296)	(1.112)	(0.296)
Cit. ideology (state mean)	0.473	-5.887**	6.210**	0.328
	(1.644)	(2.223)	(2.099)	(0.548)
Foster care ratio (state mean)	0.710	0.724	-1.810+	-0.385+
	(1.084)	(1.003)	(1.096)	(0.231)
Poverty rate (state mean)	0.549	0.898	-1.223	0.109
	(0.765)	(0.929)	(0.870)	(0.276)
Unemployment (state mean)	-0.935	1.670	0.280	0.483
	(1.670)	(1.278)	(1.751)	(0.651)
Fiscal stress (state mean)	23.99	22.43	-68.84+	-12.06
	(20.07)	(25.70)	(35.83)	(10.78)
Random Component				
Var(constant)	61.543	97.132	105.837	6.984
	(12.212)	(17.018)	(21.517)	(1.608)
Var(residual)	50.165	44.951	49.269	8.673
	(8.562)	(5.932)	(7.387)	(2.543)
Log likelihood	-2436.123	-2411.262	-2443.222	-1812.036
BIC	5081.880	5032.158	5096.079	3833.706
N	700	700	700	700

Robust standard errors in parentheses. Year indicator variables included but not presented.
+ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Cross-sectional Discrete Choice Models

The multi-level models examine spending categories in which almost all states report spending in almost all years. Logistic regression models were estimated using data from 2001, 2006, and 2012 for the categories of pregnancy prevention/two-parent family formation, tax credits, short-term benefits, and Social Services Block Grant transfers. Complete model results are presented in Tables 3.7 through 3.10 as mean marginal effects. The values in the tables can be interpreted analogously to linear regression coefficients, representing a change in the probability of the outcome per unit of the predictor.

Neither white stereotyping of blacks nor the percentage of the cash assistance caseload identifying as Hispanic are statistically significant in any year for short-term benefits or SSBG transfers. Increased negative attitudes toward blacks among whites, however, is associated with an elevated probability of the state directing resources to pregnancy prevention and two-parent family formation, at least in the two earlier years. In both 2001 and 2006, a one-percentage point increase in the number of whites expressing negative views of blacks was associated with approximately an 0.04 greater probability of the state devoting any resources to pregnancy prevention and/or two-parent family formation. White attitudes toward blacks are also marginally significant in 2012 for the probability of using TANF resources on tax credits. Proportion of the TANF caseload identifying as Hispanic is not statistically significant in any of the discrete choice models. There are few other significant predictors in any model. Fiscal stress is associated with an increased probability of expending resources on SSBG transfers in 2001 and 2006, a relationship not found in Lambright and Allard's (2004) earlier study of SSBG transfers. Poverty rate is negatively associated with SSBG transfers in those same years. Fiscal stress is a significant predictor of the probability of a state using resources on tax credits in 2012, as is the foster care ratio. There are no significant predictors of short-term benefit use in any year with the sole exception of foster care rate in 2012, which is negatively signed and marginally significant. Percent of the state population identifying as Evangelical

Christian is sporadically significant (positively associated with SSBG transfers in 2001, negatively associated with pregnancy prevention/two-parent family formation in 2006). In general, there appears to be very little structure explaining state spending in these less-common expenditure categories.

Table 3.7: Parameter estimates of discrete choice models of probability state expended resources on pregnancy prevention/two-parent family formation.

	2001	2006	2012
White stereotyping of blacks	0.041**	0.039**	0.017
	(0.014)	(0.014)	(0.014)
% Evangelical Christian	-0.010	-0.022*	0.002
	(0.009)	(0.011)	(0.012)
% Hispanic	-0.003	0.003	0.008
	(0.004)	(0.004)	(0.006)
Gov't liberalism	0.043	-0.043	0.013
	(0.035)	(0.030)	(0.027)
Cit. liberalism	-0.073	-0.097+	-0.055
	(0.049)	(0.057)	(0.075)
Unemployment	0.060	0.006	-0.046
	(0.057)	(0.061)	(0.036)
Foster care rate	-0.034	0.003	-0.070*
	(0.023)	(0.024)	(0.030)
Fiscal stress	-0.360	0.474	-0.400
	(0.499)	(0.799)	(0.778)
Poverty	0.019	0.004	-0.026
	(0.025)	(0.034)	(0.031)
N	50	50	50
Pseudo R^2	0.271	0.333	0.257

Values are mean marginal effects. Robust standard errors in parentheses.
$^{+}$ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 3.8: Parameter estimates of discrete choice models of probability state expended resources on tax credits.

	2001	2006	2012
White stereotyping of blacks	0.010	0.006	0.024+
	(0.011)	(0.015)	(0.014)
% Evangelical Christian	-0.009	-0.007	-0.012
	(0.009)	(0.010)	(0.010)
% Hispanic	0.001	-0.000	0.005
	(0.004)	(0.005)	(0.005)
Gov't liberalism	-0.028	0.001	-0.021
	(0.027)	(0.030)	(0.032)
Cit. liberalism	0.057	0.067	0.079
	(0.047)	(0.060)	(0.074)
Unemployment	0.005	0.058	-0.010
	(0.065)	(0.060)	(0.041)
Foster care rate	-0.003	-0.010	0.068*
	(0.025)	(0.034)	(0.031)
Fiscal stress	0.718	-0.564	1.628+
	(0.463)	(1.092)	(0.870)
Poverty	-0.019	-0.026	-0.029
	(0.023)	(0.034)	(0.030)
N	50	50	50
Pseudo R^2	0.262	0.172	0.224

Values are mean marginal effects. Robust standard errors in parentheses.
$^{+}$ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 3.9: Parameter estimates of discrete choice models of probability state expended resources on short-term benefits.

	2001	2006	2012
White stereotyping of blacks	-0.013	-0.003	-0.004
	(0.013)	(0.017)	(0.016)
% Evangelical Christian	-0.004	-0.011	0.001
	(0.010)	(0.010)	(0.010)
% Hispanic	0.003	-0.001	0.003
	(0.005)	(0.006)	(0.005)
Gov't liberalism	-0.024	-0.007	0.015
	(0.034)	(0.035)	(0.028)
Cit. liberalism	0.021	0.043	0.030
	(0.060)	(0.061)	(0.072)
Unemployment	0.063	0.001	-0.045
	(0.084)	(0.071)	(0.041)
Foster care rate	0.003	-0.017	-0.058+
	(0.029)	(0.030)	(0.031)
Fiscal stress	0.849	-0.287	-1.403
	(0.611)	(1.022)	(1.000)
Poverty	-0.020	0.029	-0.032
	(0.029)	(0.038)	(0.030)
N	50	50	50
Pseudo R^2	0.138	0.064	0.218

Values are mean marginal effects. Robust standard errors in parentheses.
$^{+}$ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 3.10: Parameter estimates of discrete choice models of probability state expended resources on SSBG transfers.

	2001	2006	2012
White stereotyping of blacks	0.006	0.015	0.011
	(0.008)	(0.014)	(0.015)
% Evangelical Christian	0.013*	-0.002	-0.009
	(0.006)	(0.009)	(0.010)
% Hispanic	0.002	0.001	-0.000
	(0.003)	(0.003)	(0.005)
Gov't liberalism	-0.023	0.028	-0.007
	(0.029)	(0.026)	(0.030)
Cit. liberalism	0.044	-0.027	-0.017
	(0.043)	(0.039)	(0.072)
Unemployment	0.041	0.035	-0.004
	(0.060)	(0.048)	(0.042)
Foster care rate	-0.024	-0.027	0.009
	(0.018)	(0.020)	(0.033)
Fiscal stress	1.156*	1.028*	-0.040
	(0.578)	(0.459)	(0.915)
Poverty	-0.044*	-0.059+	-0.025
	(0.019)	(0.032)	(0.031)
N	50	50	50
Pseudo R^2	0.260	0.396	0.085

Values are mean marginal effects. Robust standard errors in parentheses.
$^{+}$ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Discussion

Defining TANF

Scholars have, for nearly two decades, mischaracterized the nature of Temporary Assistance for Needy Families. It is not a cash assistance program with work supports and services attached. Rather, it is a funding stream states partially use for cash assistance and work activities. Funded activities need not even serve cash assistance-receiving or cash assistance-eligible families. Properly defining TANF is not merely pedantic—it is important for understanding the true consequences of welfare reform. In both the popular press and the scholarly literature, the most-discussed changes in the transition from AFDC to TANF concern cash assistance participation. TANF, in this view, is a cash assistance program but, unlike its immediate predecessor, is not an entitlement, including time limits and behavioral requirements. While not incorrect with respect to cash assistance specifically, comparatively few families nationally now receive traditional cash benefits (Bentele & Nicoli, 2012). Considering TANF as a funding stream aids, through analysis of state incentives, in understanding the decline in cash assistance over time. Fiscal incentives for movement away from cash assistance are central to TANF's structure. States may vary in the means by and rate at which they de-emphasize cash assistance, but all have genuine formal and informal incentives to do so while maintaining relatively steady levels of overall effort.

Beyond helping to understand how overall TANF funding has declined only very slowly in constant dollars while cash assistance caseloads have plummeted, treating TANF as a funding stream rather than a cash assistance program facilitates more complete consideration of contemporary poverty relief. Allard (2009), for instance, describes the American social safety net for the economically disadvantaged as one composed less of cash- and near-cash supports and more of services. TANF as a funding stream is the embodiment of this shift, valuing services over direct cash provision. Flexible funding

streams supporting social services, however, make for a weak economic backstop. Neighborhoods with concentrations of individuals and families in need may be geographically distant from the service providers receiving funding. Often, these geographic differences coincide with racial differences, making it more difficult for low-income families from racial and ethnic minorities to access services. Flexible funding streams also limit the countercyclical responsiveness of relief. An economic downturn, for instance, reduces a government's potential resources for supporting social service agencies at precisely the moment additional services are demanded (Allard, 2009). Further, poverty in the United States is gradually shifting to the suburbs (Howell & Timberlake, 2014). These communities are often service-poor compared to their urban counterparts, with fewer organizations dedicated to assisting the economically disadvantaged and a particular dearth of organizations intended to aid economic advancement (Murphy & Wallace, 2010).

Race & TANF as a Funding Stream

Basic Assistance

The major finding in this study is that the race-based pattern observed elsewhere in the implementation of welfare also emerges when viewing TANF as a funding stream. States in which whites express more negative views of blacks also tend to devote fewer resources to traditional cash assistance. In turn, they are also more likely to devote resources to pregnancy prevention/two parent family formation and, possibly, tax credits. The relationship between basic assistance expenditures and racial politics is not surprising. States in which race is salient to welfare policymaking adopted stricter cash assistance policies post-PRWORA (Fellowes & Rowe, 2004; Soss et al., 2011, 2001) and experienced sharper caseload declines (Bentele & Nicoli, 2012). Basic assistance spending could be viewed as an additional way of examining cash assistance coverage, particularly when measured indexed to a count of families in poverty.

No relationship between salience of Hispanics to state politics, as measured by de-

mographics of the cash assistance caseload, and basic assistance effort was found. There could be a more complex process at work. Perhaps the salience of Hispanics as a target population image varies over time, consistent with H. E. Brown's (2013) notion that the relevance of race/ethnicity-oriented issues in welfare policy fluctuates with external events (e.g., an immigration-related debate could activate stereotypes that are then made manifest in welfare politics). Xu (2017) also demonstrates that the relationship between immigration and the welfare state in the U.S. is complex, and predicated on additional factors such as labor market conditions and state-level policy with respect to immigrant inclusion in social welfare programs. While not all Hispanics are immigrants and vice versa, there is a close link between the two in political dialogue. The more-complex processes described by Xu (2017) were not modeled here, which may mask such patterns.

Alternative Priorities

The relationship between racial politics and expenditures on pregnancy prevention and two-parent family formation is consistent with the idea that racial stereotypes influence welfare policy design even outside of cash assistance. The racialized image of the "welfare queen" is entangled with out-of-wedlock child birth (Hancock, 2004). States, then, are afforded the opportunity through TANF's flexibility to direct resources toward an issue related to the racial stereotype. A key limitation here, however, is that it is not possible to identify the exact activities considered pregnancy prevention and two-parent family formation by the states, qualitative information that would strengthen or challenge the case for a relationship between stereotyping and policy. The federal government does not currently collect more granular data in this regard.

There is also evidence, albeit weak, for a relationship between state racial politics and tax credits. Using TANF resources for tax credits for low-income workers rather than cash assistance is consistent with theories such as the RCM or social constructionism. A perceived problem of the extremely poor in the United States is over-dependence on

government supports, an assumption made explicit in the goals of TANF itself (Falk, 2013). Tax credits, even refundable tax credits, are not generally viewed as "government programs" in the same way as, for example, vouchers or direct cash benefits, even if economically equivalent (Mettler, 2011). Using TANF resources for tax credits, then, essentially shifts benefits from a group perceived as undeserving ("welfare recipients") to a group perceived as deserving ("workers"), even when there might be substantial overlap between the two. Applying an RCM-like theory, it is not merely the case that racialized policy images shape the nature of cash assistance policy (i.e., how punitive its provisions are). Rather, racialization of policy in a flexible funding stream-type structure influences the selection of interventions. Instead of remaking cash assistance to respond to the perceived behaviors of a target population, the problematic target population can simply be avoided.

Other Factors

Though racial politics is the major focus of this study, as the first to systematically examine TANF as a funding stream it also affords an opportunity to consider whether other state-level characteristics are relevant. There are no factors consistent across expenditure categories, though a few do emerge as relevant in more than one category. In particular, proportion of the population identifying as Evangelical Christian is predictive of several TANF expenditure priorities. States with larger Evangelical Christian populations devote fewer resources to basic assistance, work/services/childcare, and administration expressed as effort-to-need and more to APL/other expressed as a percentage. These findings are consistent with the proposition that Evangelical Christians generally hold different views, compared to their peers, with respect to social welfare program participation (J. M. Wilson, 1999) and that, when their population is large enough to exert political influence, these opinions shape state policy. The variable could also serve as a proxy for state political culture, which is closely related to prevailing religious affiliation (Morgan

& Watson, 1991). Regardless of exact mechanism, however, these findings indicate at the very least that state religiosity is predictive of state policy choices.

With TANF now a flexible funding stream rather than a cash assistance program, exposure to prevailing economic conditions is a concern (Allard, 2009). The relationship between fiscal health and Social Services Block Grant transfers identifies a pattern not evident in earlier work. Whereas Lambright and Allard (2004) did not find a relationship between fiscal conditions and TANF-to-SSBG transfers, in this study states under higher fiscal stress are more likely to transfer resources to SSBG. There are two possible explanations for this difference. First, it could be a measurement issue. I not only express the dependent variable—SSBG transfers—differently from Lambright and Allard (2004), I also operationalize fiscal conditions differently. I measure fiscal stress using a variation on F. Berry and Berry's (1990) procedure scaling yearly surplus or shortfall to expenditures. Lambright and Allard (2004), in contrast, use a measure of potential tax base. While related, the two measures are operationalizing slightly different concepts. Additionally, Lambright and Allard (2004) examined year 2000 spending, whereas I examine 2001, 2006, and 2012. SSBG transfer patterns could differ over time, and it is possible my sample captures years where fiscal conditions were relevant while the earlier authors' data did not.

Outside of SSBG transfers, the lack of influence of state fiscal health on TANF expenditure patterns is surprising. Policy observers have speculated that fiscally stressed states would use the flexibility of TANF to cover other, possibly only tenuously related, priorities (Pavetti, Trisi, & Schott, 2011). In the current study, a relationship between fiscal stress and the miscellaneous category Authorized Under Prior Law/other might especially be expected. No relationship was detected for *any* expenditure area other than SSBG transfers, however. This result is particularly unexpected given the relationship between basic assistance expenditures and fiscal stress found in the growth curve models presented elsewhere in this dissertation. It is possible that the relationship uncovered

in the growth curve models was merely due to chance—a false positive. Alternatively, the relationship could be genuine but is obscured with the different methods used here. Fiscal stress could, for example, be more relevant later in TANF's history than in its earlier years. Accounting for time continuously, as in the growth models, might allow for detection of such a relationship while it is absorbed by the year indicators in the models treating time categorically. Given the two possibilities, more investigation is needed.

Implications

A. L. Campbell (2014) characterizes the American social safety net as one of incredible complexity, a complexity driven in part by interstate differences in policy. She further describes it as one that fails to provide adequate economic protection and, indeed, that traps individuals and families in poverty. It is not merely the myriad of programs that produces this challenging structure, however. TANF itself, seemingly a singular program, is a microcosm of this broader phenomenon when viewed as a funding stream. Two identical families in two different states will have access to quite different programs and supports justified under the umbrella of TANF. Further, given that funding priorities can change and are subject to fluctuating economic conditions (Allard, 2009), the same family in one state in different years might also have access to very different supports. While outside of this study to explicitly address, it is reasonable to question whether an economically disadvantaged family can successfully navigate such a system. It also raises normative issues of equity–is it just for families in one state to have access to refundable tax credits while in another state TANF funds are instead used for family formation or pregnancy prevention programs? In addition to complexity, the opacity of activities funded under TANF is striking. A remarkable proportion of TANF resources are devoted to categories such as "Authorized Under Prior Law" and other miscellaneous areas with no state obligation to describe those activities. States can also justify seemingly-unrelated programs in explicit expenditure categories, such as Michigan's college scholarship program reported

as pregnancy prevention (Wilkinson, 2016).

Importantly, there is no evidence that states that devote fewer resources to cash assistance in turn devote more to activities, such as work supports or child care, that aid in actually reducing the need for a cash-based safety net. It suggests these states are not actually using TANF funds to reduce the need for economic support by facilitating labor force participation. Instead, they are funding a host of activities, some of which are only loosely related to poverty relief. State differences in policy are not necessarily problematic, as local conditions, such as differences in the labor market or accessibility of services, may require different solutions. "Local conditions," though, can also include the salience of disadvantaged social groups to policymaking. Instead of policy reflecting *actual* problems, it can reflect perceived problems based on group stereotypes. Social welfare policy in these cases can actually reinforce and reflect disadvantage rather than alleviate it.

A further strength of devolution is that state flexibility can lead to policy entrepreneurship and, in turn, diffusion of successful practices and improved interventions nationwide. There is some evidence states did learn from one another, at least initially, in TANF implementation (Volden, 2016)[20]. TANF also demonstrates the limitations of devolution, however. The incentive structure of states does not directly include poverty relief or even, despite being listed among TANF's goals (Falk, 2013), development of self-sufficiency. Rather, TANF's incentives are built around cash assistance caseload reduction and work activity participation. Even the work participation requirement itself contains perverse incentives, as states can reduce their work targets through cash assistance caseload reduction or contribution of additional MOE (Falk, 2013). In sum, then, states have no reason to truly alleviate economic hardship and build self-sufficiency, but do have an incentive to continue expending resources under the umbrella of TANF. The appropriateness of this structure, including the definition of "success" and the incentives of state governments,

[20]Volden's (2016) definition of a "successful" policy includes policies that reduce caseloads; this definition of success may be problematic, as caseload reduction without improved self-sufficiency may severely disadvantage vulnerable families (Sheely, 2012).

deserve greater scrutiny.

Limitations

The uncertainty associated with this analysis must be underscored. Many manipulations of the data were required, and even these procedures left skewed distributions for some spending categories. It is encouraging that findings with respect to basic assistance are consistent with theoretical expectations, but the noise inherent in the data through accounting procedures remains a concern, one that cannot be addressed through statistical technique. Intuitively, it would seem identifying a statistically significant pattern *despite* noisy data provides stronger evidence in favor of a hypothesis. That view is not necessarily correct, however, as noise can produce misleading results in either direction (Loken & Gelman, 2017). There are, then, substantial concerns with respect to the reliability and validity of state expenditure reports, but they remain the sole source comparable across states on activities justified under the umbrella of TANF. Primarily, however, the data limitations speak to the need for better, more consistent reporting with respect to state uses of federal resources—what activities, precisely, are states using funds for, who participates in these activities, and how well do these activities achieve the stated aims of the broad federal program?

Conclusion

Welfare scholarship has, to a large degree, mischaracterized the Temporary Assistance for Needy Families program created by the 1996 welfare reform law. Much like the public image of the program, most academic studies of TANF focus on cash assistance and the rules, requirements, and work activities associated with cash assistance receipt. TANF, though, is no longer primarily a cash assistance and work support program. It is instead best thought of as a flexible funding stream states partially use for cash assistance and work supports for low-income families. A natural question, then, is what state charac-

teristics are associated with particular uses of TANF resources. Given both the racialized history of "welfare" in the United States and contemporary theory with respect to the relationship between racial politics and public policy, it is particularly valuable to understand whether and how the politics of race is related to state TANF expenditure priorities.

Using data on categorical TANF expenditures from all states in the years 2000 to 2013, I examine the relationship between the salience of race to state politics and TANF spending patterns. I estimate a series of multi-level models controlling for state and year effects to evaluate spending categories in which almost all states use resources in almost all years and discrete choice models of the probability of the state devoting resources to the category for areas with less consistent spending. For politics with respect to blacks, I generate a measure of the prevalence of negative stereotypes of blacks by whites at the state level using multi-level regression with post-stratification, while for politics with respect to Hispanics I use cash assistance caseload demographics. I find evidence for a relationship between race-oriented politics and state TANF expenditure patterns. As measured by the prevalence of negative affect among whites with respect to blacks in a state, salience of blacks to subnational politics is associated with reduced expenditures on basic cash assistance. It is also associated with a greater likelihood of a state using TANF resources for pregnancy prevention/two parent family formation and, possibly, tax credits. Relationships were also found, albeit inconsistently, with TANF expenditure patterns and proportion of the cash assistance caseload identifying as Hispanic. As with welfare throughout its history, TANF as a funding stream is influenced by the politics of race.

TANF as a funding stream rather than a cash assistance program reflects several national trends, including the emphasis on services over transfers and a complex system of support exacerbated by interstate policy differences. The transition away from cash benefits is particularly relevant for socially disadvantaged groups. If states in which the economically disadvantaged are more likely to be families of color are also those using TANF resources for purposes other than cash transfers, the two issues interact to create

a particularly challenging environment for poor families. Services raise issues about the geographic location and accessibility of providers, which often overlaps with racial disparities (Allard, 2009). More broadly, this study raises questions about the appropriate role of devolution in social welfare. Federalism has many advantages, including offering the opportunity for states to experiment and identify novel solutions to complex problems. Future reform efforts could consider ways to emphasize the positive aspects of devolution while better managing the propensity to reinforce existing social disparities.

CHAPTER IV

Without a Net: Neoliberalism, Welfare & the Well-Being of Low-Income Families in the United States

Note

This chapter is the product of a collaboration with H. Luke Shaefer, who proposed the TANF coverage/food insecurity analysis, and Kathryn Edin. Reid Wilson also provided valuable research assistance, including conducting preliminary versions of some analyses.

Abstract

Under Temporary Assistance for Needy Families (TANF; "welfare"), the program created by the 1996 welfare reform law, economic relief for low-income families is no longer an entitlement. Instead, it is time-limited and tied to work requirements. State governments also have both formal and informal incentives to keep traditional cash assistance caseloads low. Welfare reform, by linking welfare participation to the low-wage labor market, has been seen by some commentators as emblematic of a larger shift in public policy toward market-based solutions to social problems and the use of social policy to service markets ("neoliberalism"). In this paper, I test the logic underlying this market-based paradigm—that restricted access to cash benefits improves the well-being

of low-income households by incentivizing labor market participation. Using quantitative models of the relationship between household food insecurity and state cash assistance coverage from 2001 to 2013, I find that the decline in the accessibility of traditional welfare is associated with an increased risk of material hardship in low-income households with children, particularly those headed by a single female. I generally fail to find evidence that changes in welfare coverage are associated with changes in the probability of a household having an employed adult present, however. In concert, these findings call into question the logic of welfare reform specifically and the blanket implementation of market-based solutions to social problems generally.

Introduction

The American welfare state underwent a dramatic transformation in the mid-1990s. The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA, popularly known as "welfare reform") ended Aid to Families with Dependent Children (AFDC), a cash entitlement to low-income families with children, and created Temporary Assistance for Needy Families (TANF). In contrast to AFDC, TANF benefits were intended to be time-limited and tied to required work activities. Also unlike AFDC, TANF was implemented as a block grant from the federal government to the states with a state contribution requirement ("Maintenance of Effort"), giving subnational governments considerable flexibility over program design (Falk, 2013; Weaver, 2000). Welfare reform was a manifestation both of renewed federalism in policy design and the application of a neoliberal governing philosophy in which state functions, in this case economic relief, were tied to markets and, further, in which market participation was enforced (S. F. Schram, Soss, Houser, & Fording, 2010). Reform followed on the heels of a large expansion of the Earned Income Tax Credit (EITC), a refundable tax credit for low-income workers, especially those with children. Together, economic supports for poor families were no longer

a safety net, but instead were tools to incentivize and reward labor market participation[1].

Cash assistance caseloads fell precipitously following welfare reform (Bentele & Nicoli, 2012; Rodgers, 2006; Scholz, Moffitt, & Cowan, 2009). These declines, however, varied widely by state (Bentele & Nicoli, 2012; Rodgers, 2006). I leverage differences in within-state changes over time to test two key assumptions of the neoliberal philosophy of social welfare. First, that the availability of an alternative to labor market participation is a barrier to material wellbeing and not a safety net. Second, that the increased availability of a cash safety net is a deterrent to labor market attachment. I measure TANF access using an indicator of coverage, the TANF-to-poverty ratio, defined as the number of families receiving cash benefits as a proportion of all families in poverty in a state. I construct a sample of low-income households with children across the United States from 2001 to 2013 using the Current Population Survey (CPS), a large, continually administered survey intended to provide a representative sample of the non-institutionalized U.S. population (Flood, King, Ruggles, & Warren, 2015). The two key outcome measures are household material hardship as indicated by food insecurity and household labor market participation operationalized as the household having at least one employed adult. I model these two outcomes using logistic regression models. Controls include household characteristics, state unemployment rate to account for economic conditions, and state and year indicator variables to control for time-invariant state characteristics and common shocks.

The analyses indicate that decreased access to cash benefits is associated with an increased probability of low-income households experiencing hardship, particularly those headed by a single female without other adults present. Restricting access to welfare reduces the cash assistance caseload, but it does so to the detriment of the most disadvantaged families with children. Requiring labor market participation under any circumstances has increased, not eased, economic risk for the most vulnerable households.

[1] Commentators such as Piven and Cloward (1971) maintain that welfare serves a social control function rather than purely a safety net function; economic relief is ancillary to tamping social unrest brought on by economic distress. TANF can be seen as a re-direction of welfare from management of conflict to management of labor market behavior (Soss et al., 2011).

I also generally fail to find a relationship between welfare coverage and household employment. In only one household configuration, households headed by a single female with other adults present, is there evidence of a work participation disincentive, and even then the relationship only appears using one of two ways of specifying welfare coverage. In concert, these findings suggest that the logic underlying welfare reform—that market participation is the only path to material wellbeing and that it must be enforced—is misplaced. While welfare reform may be the signature effort of the neoliberal turn in policy, enforced market participation and the use of policy to service markets rather than individuals underlies initiatives in fields as diverse as education, criminal justice, and health care. Findings therefore have implications both for anti-poverty policy specifically and for social policy more broadly. Market-based reforms have utility but are not a panacea, and caution and nuance are warranted in their application.

Background

Temporary Assistance for Needy Families

Between 1935 and 1996 Aid to Families with Dependent Children (AFDC) and its predecessor, Aid to Dependent Children (ADC), provided traditional welfare in the form of cash benefits to low-income households with children. Though authorized under the Social Security Act of 1935, implementation of ADC/AFDC was largely a state matter—the federal government simply matched state expenses at a pre-set rate. States and localities often used both formal policy and informal administrative mechanisms to exclude certain types of households from welfare participation, particularly black single-mother headed households (Lieberman, 1998; Ward, 2005). Legislative change and legal action in the 1960s eventually removed these restrictions, creating an entitlement to cash benefits for categorically eligible households (Katz, 1989; Weaver, 2000). AFDC, particularly after expansion, was politically contentious. It was unpopular with groups of political

elites and broad swaths of the mass public (Ellwood, 1988; Teles, 1996; Weaver, 2000).

Dissatisfaction with AFDC hinged on several factors, including notions of deservingness (e.g., does an able-bodied adult deserve public support, even with children) (Steensland, 2006); concern over waste, fraud, and abuse in government (Guetzkow, 2010); conflation of racial politics and welfare politics (Gilens, 1999; Hancock, 2004; Soss et al., 2011); and perceptions that welfare disincentivized work, sustained other social problems (e.g., nuclear family breakdown) (Ellwood, 1988; Teles, 1996), and created a culture of permissiveness that undermined self-sufficiency and violated social norms (Mead, 1986). Several attempts were made to reform AFDC, including major initiatives by the Nixon and Carter administrations, but were unable to garner broad enough support to succeed (Noble, 1997; Weaver, 2000). The Reagan, George H.W. Bush, and Clinton administrations offered states the opportunity to experiment with changes to AFDC through executive waivers, but comprehensive reform remained elusive (C. Harvey et al., 2000; Teles, 1996).

A window for substantial change emerged in the 1990s with the election of a centrist Democratic president, Bill Clinton, and subsequent takeover of Congress by Republicans largely running on a platform of government reform. The bill that ultimately passed, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), ended AFDC and created Temporary Assistance for Needy Families. Under TANF, cash benefits are no longer an entitlement, being subject to work requirements and time limits. TANF also returned a great deal of control over welfare policy to the states. Rather than a federal match of state expenditures, TANF is structured as a block grant to the states with a state "maintenance of effort" (MOE) contribution. States are free to set their own rules and requirements, such as length of time limit and severity of sanctions for rules violations, within broad federal guidelines. Additionally, states do not have to use program resources exclusively for cash assistance. Rather, resources can be used for any purpose consistent with the four goals of PRWORA: ending dependence on public support

through work and marriage, facilitating care of children in their own homes, reducing out-of-wedlock births, and aiding the formation and maintenance of two-parent families. States vary considerably both in rules for cash assistance beneficiaries and the uses of state and federal funds (Falk, 2013, 2016; Huber, Cohen, Briggs, & Kassabian, 2015; Schott et al., 2015).

By some metrics, welfare reform was a success. In particular, a chief aim of reform was to reduce dependence on public economic supports. Cash assistance caseloads declined dramatically in the decade following passage of PRWORA (Bentele & Nicoli, 2012; S. K. Danziger, 2010; Scholz et al., 2009). A sharp increase in labor force participation among low-income single mothers paralleled decreasing welfare participation (R. Blank, 2002; Rodgers, 2006). There are, however, confounding factors that make it difficult to precisely identify the causal effect of welfare reform on single-mother employment. The roll-out of welfare reform in the late 1990s coincided with an economic boom featuring nearly full employment and was immediately preceded by a large expansion of the Earned Income Tax Credit. There was, and remains, much debate among analysts on the respective influence of each of these forces on the observed changes in work (R. Blank, 2002). Explanations range from attributing labor market shifts primarily to TANF (Snarr, 2013), to the boom economy (Fang & Keane, 2004), and to the EITC (Grogger, 2003). All agree, however, that the EITC, TANF, and the economy played at least some role, and economic conditions and the policy changes of the 1990s also likely interacted—welfare reform and the Earned Income Tax Credit incentivize work, but labor market participation is most pronounced when the economy is strong (Herbst, 2008; Noonan, Smith, & Corcoran, 2007). Work inevitably pays more than welfare, and the transition from cash assistance to fuller participation in the labor market was associated with a general increase in household income and a reduction in child poverty (S. Danziger, Heflin, Corcoran, Oltmans, & Wang, 2002; Lichter & Crowley, 2004).

Neoliberalism & Welfare Reform

Welfare reform is one of the more visible aspects of a turn toward neoliberal governance in the United States. Under neoliberalism, markets are considered fundamental to a functioning society. Policy fields not traditionally associated with markets are replaced by markets or re-organized around market-like principles of competition, and government intervention creates and services markets (W. Brown, 2006; Davies, 2014; D. Harvey, 2007). As an intellectual movement, neoliberalism is an outgrowth of the work of economists such as Friederich von Hayek, Milton Friedman, and Gary Becker, particularly in the extension of microeconomic thinking to traditionally non-market subjects. As a political movement, neoliberalism was brought to the mainstream by politicians such as Ronald Reagan in the United States and Margaret Thatcher in the United Kingdom, both of whom emphasized de-regulation of markets (Davies, 2014). While there is no universally accepted definition of neoliberalism, Wacquant (2009) ascribes four characteristics: deregulation of markets and the use of market logics as an organizing principle of society (that is, market fundamentalism), erosion of the welfare state through retrenchment and devolution, a focus on individual, rather than state or societal, responsibility for social problems, and the extensive use of punitive tools to manage social disorder. The latter element is perhaps most inconsistent with the otherwise laissez-faire components of neoliberalism, and Soss et al. (2011) consider the merger of market fundamentalism and punishment to be a new governing philosophy, neoliberal paternalism.

Regardless of the specific definitional boundary of neoliberalism, welfare reform embodies its common elements. Rather than treating poverty as a social or even an economic problem, the logic of welfare reform assumes individual behavior is the foundation of poverty. The labor market is the ultimate and only legitimate source of economic support, but those in poverty lack the work ethic and soft skills (e.g., interpersonal communication, respect for hierarchy) needed to participate in the labor force. The availability of an economic safety net exacerbates the problem by providing an alternative to work

and leads to dependence on public economic support (Somers & Block, 2005). The solution to poverty, then, is to limit economic protection and institute a corrective policy approach for those who do receive benefits (Mead, 1986). Ridzi (2009) considers the shift in discourse around welfare from one of social protection to one of enforced work, now so dominant that it is considered common sense, the fruit of a decades-long process to embed market-based thinking in economic relief. Wacquant (2009) and Soss et al. (2011) also see welfare reform's emphasis on employment as part of a larger societal shift, though both also emphasize the more punitive aspects of reform and draw parallels to trends in criminal justice policy.

The term "neoliberalism" has come under criticism as poorly defined and little more than a pejorative used in opposition to market-oriented public policy (Boas & Gans-Morse, 2009). The intention in the use of the term here is *not* to summarily dismiss market-based approaches to public problems. The Earned Income Tax Credit, for instance, has been found to be a very effective anti-poverty policy in a number of respects (Eamon, Wu, & Zhang, 2009; Hamad & Rehkopf, 2016; Shaefer, Song, & Shanks, 2013; Simpson, Tiefenthaler, & Hyde, 2010)[2]. The term is used here simply to highlight that markets and market-like institutions are increasingly accepted as the only valid means of implementing social policy. In some contexts and for some problems such approaches may be effective, in other circumstances they may be less appropriate.

Caseload Reduction as Outcome

As welfare dependence is viewed as the problem in the logic of reform, caseload reduction, not poverty alleviation, is its official metric of success. It is facilitated by both formal and informal policy elements. Formally, federal TANF policy imposes time limits

[2]Despite the generally positive evidence in favor of the EITC, it has limitations, including serving as a work disincentive in certain earnings ranges, penalizing marriage, and not adequately offsetting the cost of working. Importantly for the argument forwarded in this paper, receipt and subsequent value of the EITC are contingent on the ability of an individual to find and maintain adequate employment (Eamon et al., 2009).

and requires work activities for beneficiaries. States do have discretion, though, over the strictness of these policies, providing an opportunity to examine their effects on caseloads. Stricter time limits are associated with a reduced probability of cash benefit take-up (Teitler, Reichman, & Nepomnyaschy, 2007). There are at least two mechanisms underlying this relationship—a direct, mechanical effect as households are dropped from the rolls after exceeding eligibility and an indirect banking effect in which potential beneficiaries choose not to participate or limit participation to maintain an economic fallback (Duncan, Harris, & Boisjoly, 2000; Grogger, 2002; Grogger & Karoly, 2005; Mazzolari, 2007). Strictness of sanctions for violation of behavioral requirements also varies by state, ranging from docking a portion of the adult benefit to complete elimination of household benefits (Huber et al., 2015). Though a deterrent effect might be expected as the severity of sanctions increases, there does not appear to be a relationship between sanctions strength and TANF take up (Teitler et al., 2007)[3]. There is, however, a relationship between sanctions and welfare exit, so there may be a mechanical effect on caseloads as clients are dropped or voluntarily withdraw in response to sanction (Wu, Cancian, & Wallace, 2014). States can even adopt alternative forms of benefits to reduce caseloads. Upon application, the client may be offered the opportunity to participate in a short-term benefit program, which may consist of a one-time or briefly recurring cash benefit, direct payments to third parties, services, or some combination thereof. Clients receiving diversion benefits are not considered part of the TANF caseload, and such programs therefore afford an opportunity for a state to provide aid to low-income families while officially keeping caseloads low (Gonzales, Hudson, & Acker, 2007; Ridzi & London, 2006).

In addition to these formal policy tools, there are also informal mechanisms by which caseloads are reduced. Administrative burden, the hassle associated with program application and maintenance of eligibility (e.g., paperwork, required meetings, required records), can deter participation or increase the chances a potential client fails to success-

[3]At the individual level being sanctioned is, however, associated with increases in material hardship (Reichman, Teitler, & Curtis, 2005; Wu, 2008).

fully complete all pre-enrollment requirements (Brodkin & Majmundar, 2010; Ridzi & London, 2006). Caseworkers, as street-level bureaucrats, have considerable discretion in the application process, in the use of sanctions, and in administration of diversion payments (Keiser, Mueser, & Choi, 2004; Lens, 2008; Ridzi & London, 2006; S. Schram, Soss, Fording, & Houser, 2009; Soss et al., 2011). Whether a client enters or remains on the cash assistance rolls, then, is dependent on the practices of the lowest-level administrators. As with many other aspects of welfare, race appears to be central to bureaucratic behavior with respect to clients and potential clients (Keiser et al., 2004; S. Schram et al., 2009; Soss et al., 2011; Watkins-Hayes, 2009). Bureaucratic culture within TANF-administering agencies might also influence the propensity of caseworkers to make decisions that remove clients from the welfare rolls or prevent clients from enrolling. For example, a cultural emphasis on rule compliance over self-sufficiency may result in sanctions for procedural violations, such as missed appointments, even when sanctions are intended as a tool to compel work-related behavior (Lens, 2008).

While caseload reduction is accomplished through multiple means, many of which vary across states, all states have incentives for reducing the cash benefit rolls. At risk of penalizing a portion of the block grant, states must meet work requirements for a proportion of the TANF caseload (50% of cash benefit-receiving families overall and 90% of two-parent families). These targets can be lowered, however, through caseload reduction credits—the more a state reduces its cash assistance caseload, the lower its work activity target. Restricting the caseload, then, means that states not only have to provide benefits to fewer families, but also have their own administrative burdens reduced (Falk, 2016). States also have considerable flexibility over the use of TANF funds; a variety of alternative programs, including tax credits, childcare, and two-parent family formation and pregnancy prevention initiatives, are justified under the umbrella of TANF (Hahn et al., 2012; Schott et al., 2015). Particularly in an era of retrenchment and tenuous state budgets, then, funds that must be spent to maintain compliance with federal requirements

can be used to cover priorities other than basic cash assistance. States can even count effort by third party providers, such as non-profit agencies, as MOE following articulation of new administrative rules in 2004 and 2005. As few as three states (2007) and as many as twenty-four states (2010) have reported third-party spending as MOE since 2007, though the number has generally been sixteen or seventeen since 2012 (United States Government Accountability Office, 2016).

Caseload reduction is usually framed as a positive effect of TANF, and the evidence suggests that, for at least some households, it is—increased work leads to increased income and correlated positive outcomes. Other evidence, however, brings pause to sweeping declarations of success. The post-reform period has seen a marked rise in extreme poverty—households with less than $2 per person per day in income (Edin & Shaefer, 2015). Similarly, homelessness, a different type of material hardship, among public school students has increased during the same time frame (Ingram et al., 2016). While not possible to attribute directly to the end of traditional welfare given current research, the timing between the decline of cash assistance and the rise of deep economic adversity is consistent. Additionally, many of the studies of positive TANF employment outcomes were conducted during or shortly after the late-1990s economic boom, when jobs were plentiful. Whether the TANF-work connection held during, for example, the "Great Recession," is unclear, and it is possible that the low-wage labor market has a steadying effect on hardship primarily during economic high points. Finally, recent work by Herbst (2017), exploiting state variation in employment exemptions based on child age, indicates that more immediate work participation requirements may, while increasing employment, negatively affect maternal and child well-being during the first years of life.

Research Questions & Hypotheses

The logic of welfare reform suggests that ready accessibility of cash benefits reduces labor market participation and, in turn, exacerbates hardship. My organizing research

questions test these assumptions. First, is benefits accessibility related hardship? If so, what is the nature of the relationship (i.e., positive or negative)? Second, is benefits accessibility related to employment? Again, if so, what is the nature of the relationship? Some features of the contemporary low-wage labor market counter the assertion that it alone is sufficient for alleviating hardship, even among households with routinely employed adults. Low-wage employment, particularly for less-skilled and less-educated workers, may include inadequate or unpredictable hours, no or limited fringe benefits, few opportunities for advancement, and difficult working conditions (Lambert, 2008; Lambert, Haley-Lock, & Henly, 2012; Newman, 2006). It may, then, not adequately or consistently meet household economic needs even if a household is attached to the labor force. Cash assistance could cushion against adversity brought on by these conditions. If so, ease of benefits access should be inversely related to material hardship, particularly for the most vulnerable households:

Hypothesis 1: As access to cash benefits decreases, the probability of a vulnerable household experiencing material hardship will increase.

Conversely, if the neoliberal view is correct, households in states with higher benefits coverage should be at greater risk for material hardship, as it would lead them to engage in economically disadvantageous behaviors. A counter-hypothesis follows:

Hypothesis 2: As access to cash benefits increases, the probability of a vulnerable household experiencing material hardship will increase.

Both Hypothesis 1 and Hypothesis 2 are tested against a null hypothesis of no relationship between cash benefits access and material hardship. If a statistically significant relationship between benefits coverage and hardship is found, the direction of the relationship (positive or negative) distinguishes between the two propositions. The final hypothesis considers the relationship between employment and ease of access to cash assistance as posited by the neoliberal approach. Readily available cash benefits should disincentivize work by providing an alternative means of support.

Hypothesis 3: As access to cash benefits increases, the probability of a vulnerable household being engaged with the labor force will decrease.

If Hypotheses 2 and 3 are sustained, it provides evidence in favor of the neoliberal approach to social welfare policy. Conversely, support for Hypothesis 1 and lack of evidence for Hypotheses 2 and 3 challenge the neoliberal view.

Methods

Models

I test the hypotheses quantitatively using two sets of models including both household-level and state-level characteristics. One set of models uses food insecurity, a measure of hardship, as the dependent variable to evaluate Hypotheses 1 and 2. The second set uses household employment as the outcome measure to examine Hypothesis 3. In both cases, the dependent variable is binary, so I model the probability of a household having the characteristic using logistic regression ("logit") models in the following form:

$$P(y_{ijt} = 1) = logit^{-1}(\beta u_{jt} + \lambda \mathbf{X}_{ijt} + \alpha \mathbf{S}_{jt} + \gamma_j + \theta_t + \epsilon_{ijt})$$

Here, y is the binary indicator of the outcome of interest. The index i references the individual household, j indexes the state, and t indexes the year. The probability of the outcome, either food insecurity or employment, is a function of TANF coverage (u), a vector of household controls X, and a vector of state-year controls S. I include state (j) and year (t) indicator variables to account for between-group variation and common shocks, while the error term ϵ represents the remaining unexplained variation. The logit link ensures that predictions remain bounded by 0 and 1. Household controls include household head race/ethnicity, age, and student status; highest educational attainment in the household; number of children in the household; and whether the household includes at least one individual age 65 or older. The food insecurity analysis further includes

a variable indicating whether the household has at least one employed adult. The key object of interpretation is the coefficient β, the marginal effect of which represents, for Hypotheses 1 and 2, the change in the probability of a household being food insecure and, for Hypothesis 3, for having an employed adult present after controlling for other relevant factors.

Household Sample & Data

My source of household-level data is the Current Population Survey, particularly the annual Food Security Supplement (CPS-FSS). The CPS is a monthly survey of approximately 60,000 households collected by the U.S. Census Bureau on behalf of the Bureau of Labor Statistics. It offers a nationally representative, multistage, stratified sample of the non-institutionalized U.S. population. Detailed labor market and demographic data are collected on all respondents age 15 years and older. Since 1995, CPS has also fielded an annual supplement to assess the incidence of food security, defined as a household having stable access to an adequate quantity and quality of food (United States Department of Agriculture Economic Research Service, 2015). Household food security status is assigned based on the number of food insecure conditions experienced by a household, such as being unable to afford balanced meals or cutting the size of meals because of too little money for food (Coleman-Jensen, Rabbitt, Gregory, & Singh, 2015).

I use the CPS data to construct the dependent variables and to identify categories of households. For the food security analyses, I create a binary variable coded 0 if the household scores in the food secure range and 1 if the household scores in the low or very low food security range. Employment analyses use a variable coded 1 if any adult member of the household is currently employed. I identified three categories of households for sub-group analysis—households in which the head is married, households headed by an unmarried female with other adults present, and households headed by an unmarried female with no other adults present.

Data from the CPS-FSS and the concurrent monthly core CPS were extracted from the Integrated Public Use Microdata Series (IPUMS), a dataset produced by the Minnesota Population Center harmonizing CPS files from the survey's entire history (Flood et al., 2015). The full sample (n=67,404) consists of households with children below 185% of poverty in which the household head is below 65 years of age. The 185% of poverty threshold is used because the FSS includes an indicator measure at this level. Income data in the month of CPS-FSS administration is otherwise limited[4]. I restricted the sample to the December 2001 to December 2013 CPS-FSS cohorts. Prior to December 2001, the month of FSS administration was inconsistent, creating both an additional source of variation and overlapping reference frames across years for questions regarding experiences in the past 12 months. All estimates are weighted using FSS probability weights and standard errors are clustered by state to account for complex survey design. Descriptive statistics for the distribution of household types are shown in Table 4.1 and for other household-level data in Table 4.2.

Table 4.1: Distribution of households with children by composition in Current Population Survey-Food Security Supplement sample.

Household Type	**Proportion**
Married household head, children	0.493
Unmarried female head, children, other adults	0.164
Unmarried female head, children, no other adults	0.247
All other households with children	0.096
n	67,404

Data source: Current Population Survey-Food Security Supplement, 2001-2013.
Sample restricted to households with children below 185% of poverty with household head below age 65.

[4]Income data for the CPS-FSS sample is reported categorically, making for difficult comparisons across time. Continuous income data is collected in the Annual Social and Economic Supplement (ASEC), but only a fraction of respondents participate in both CPS-FSS and ASEC.

Table 4.2: Household-level descriptive statistics, Current Population Survey-Food Security Supplement sample.

	All households with children	**Married**	**Unmarried female, other adults**	**Unmarried female, no other adults**
	Proportion	*Proportion*	*Proportion*	*Proportion*
Food insecure	0.346	0.287	0.395	0.434
Household composition				
1 Child	0.343	0.263	0.431	0.396
2 Children	0.352	0.376	0.318	0.339
3+ Children	0.305	0.361	0.251	0.266
1+ Seniors (65+)	0.055	0.055	0.114	0.015
1+ Employed adults	0.813	0.915	0.814	0.611
Race (Household head)				
White non-Hispanic	0.447	0.487	0.390	0.397
Black non-Hispanic	0.203	0.103	0.267	0.366
Hispanic	0.292	0.339	0.289	0.198
Other	0.059	0.071	0.053	0.039
Highest level of education				
Less than high school	0.160	0.140	0.128	0.220
High school	0.360	0.336	0.382	0.369
Some college/2 year degree	0.352	0.347	0.399	0.342
Bachelor's+	0.127	0.177	0.091	0.069
Student				
Household head is student	0.027	0.010	0.043	0.037
Age	*Mean(sd)*	*Mean (sd)*	*Mean (sd)*	*Mean (sd)*
Household head age	37.685 (0.051)	38.653 (0.066)	40.049 (0.154)	34.860 (0.091)

Data source: Current Population Survey-Food Security Supplement, 2001-2013.
Sample restricted to households with children below 185% of poverty with household head below age 65.

State Variables

I merge the household-level data with state-level data, as the hypotheses are propositions about the relationship between state and household characteristics. The key independent variable is TANF coverage as represented by the TANF-to-poverty ratio, the count of state-year cash benefit receiving families divided by the total number of families with children below the poverty threshold. The count of welfare cases is drawn from state administrative data, while the number of families with children below poverty is calculated from Current Population Survey data by the Center on Budget and Policy Priorities (2015). To compensate for possible reliability issues, poverty in the varying denominator TANF-to-poverty ratio is a rolling average of the estimated count of families in poverty in state j for years t and $t-1$ (that is, 2005 values are an average of 2004 and 2005 data). While the varying denominator TANF-to-poverty ratio reflects changes in both the supply of and potential demand for cash assistance, it cannot discriminate between trends driven by changes in family poverty from trends driven by changes in the count of TANF cases. I therefore create a second version of the TANF-to-poverty variable with a fixed denominator calculated as the average count of families in poverty over the study period. This version is used to check the validity of the models (i.e., to demonstrate they are primarily reflecting changes in the count of TANF-receiving families rather than unrelated fluctuations in family poverty). Unemployment rate is also included at the state level to control for varying economic conditions specific to the state-year. Descriptive statistics for the state variables are show in Table 4.3.

Results

Food Insecurity

Full model results are shown in Table 4.4. The coefficients in a non-linear model are not easily directly interpreted, so I also present the key TANF coverage results as marginal

Table 4.3: State-level independent variable descriptive statistics.

	Mean	**SD**
TANF Coverage, Varying Denominator		
Overall	0.317	0.184
Between		0.161
Within		0.091
TANF Coverage, Fixed Denominator		
Overall	0.307	0.165
Between		0.156
Within		0.057
Unemployment Rate		
Overall	0.060	0.021
Between		0.012
Within		0.017

N=650 states=50, years=13

effects. In Figure 4.1, the symbols represent the point estimates of the mean marginal effects (that is, within the data, the mean effect of a one-unit change in the predictor on the probability of the outcome) of the TANF coverage measure on the probability of a household experiencing food insecurity within the given subgroup. The bars indicate the 95% confidence intervals. The relationship is statistically significant at $\alpha = 0.05$ if the relevant confidence interval does not cross the zero line. Figure 4.2 presents the predicted effects of TANF coverage at a range of values (zero coverage up to 70% coverage) on food insecurity. For this analysis, the household head is set at 26 years of age, black, and not a student. The household is set to two children, highest level of education to high school graduate, no seniors present, and no employed adults.

The mean marginal effects indicate that, on average, a ten percentage point increase in TANF coverage is associated with an 0.01 reduction in the probability of a low-income household of any configuration experiencing food insecurity. The relationship is approximately similar for married households. There is no evidence that households headed

by an unmarried female but with other adults present are affected by the rate of TANF coverage. The relationship between coverage and the probability of hardship is strongest, however, for households headed by a single female with no other adults present. For these households, the effect of a change in TANF coverage is approximately twice as strong as that for households generally—the same ten percentage point change in coverage is associated with a 0.02 reduction in the probability of experiencing hardship. These results generally provide support for Hypothesis 1, that a decrease in coverage is associated with an increased risk of food insecurity, and fail to support Hypothesis 2, which posited the opposite. While the magnitude of the effects may appear practically small, this analysis does not examine the participation of individual households in cash assistance, but rather the effect of changes in the availability of cash assistance. It is also possible that the effects are concentrated in certain subtypes of households (e.g., in extremely low-income households) that cannot be separately identified in the CPS-FSS data.

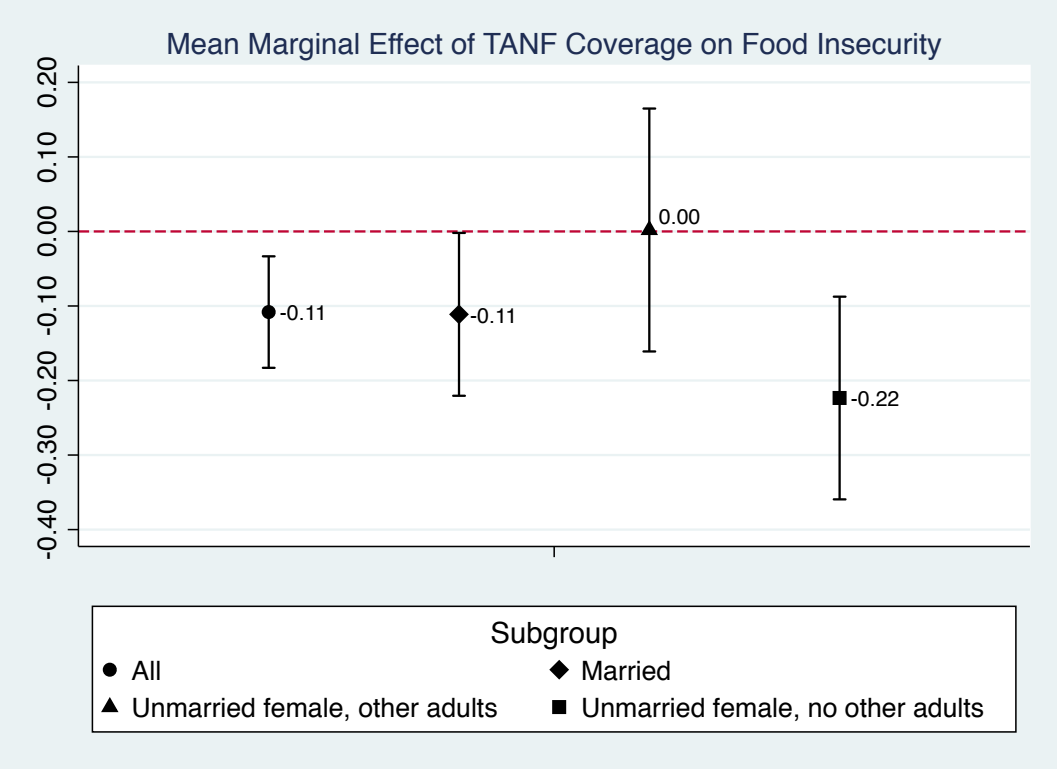


Figure 4.1: Mean marginal effects of TANF coverage on household food insecurity (symbols represent point estimates, bars represent 95% confidence intervals).

Table 4.4: Food insecurity logit model results (varying denominator TANF coverage).

	All	Married	Unmarried, other adults	Unmarried, single
Household head characteristics				
Age	0.040***	0.011	0.085***	0.072***
	(0.004)	(0.008)	(0.008)	(0.014)
Age^2	-0.0005***	-0.0002*	-0.0009***	-0.0007***
	(0.00005)	(0.00001)	(0.00009)	(0.00017)
Black non-Hispanic	0.275***	0.316***	0.118	0.033
	(0.038)	(0.057)	(0.076)	(0.048)
Hispanic	0.062*	0.157***	0.028	-0.044
	(0.038)	(0.042)	(0.063)	(0.067)
Other non-white	-0.031	0.053	-0.175	-0.050
	(0.071)	(0.078)	(0.130)	(0.124)
Student	-0.043	-0.278**	0.081	0.030
	(0.072)	(0.134)	(0.137)	(0.109)
Highest education				
High school	-0.204***	-0.236***	-0.137*	-0.196***
	(0.024)	(0.039)	(0.079)	(0.059)
Some college/2 yr degree	-0.227***	-0.280***	-0.180*	-0.126**
	(0.028)	(0.034)	(0.097)	(0.055)
Bachelor's+	-0.712***	-0.713***	-0.537***	-0.587***
	(0.047)	(0.060)	(0.082)	(0.109)
Household composition				
Two children	-0.054*	-0.060	0.046	0.093**
	(0.028)	(0.058)	(0.063)	(0.038)
3+ children	0.041*	0.118**	0.133***	0.092**
	(0.025)	(0.047)	(0.038)	(0.042)
1+ seniors	-0.200***	-0.145**	-0.224***	-0.100
	(0.045)	(0.070)	(0.081)	(0.263)
1+ employed adults	-0.617***	-0.731***	-0.511***	-0.336***
	(0.041)	(0.060)	(0.066)	(0.047)
State characteristics				
TANF coverage	-0.504***	-0.572**	0.009	-0.956***
	(0.178)	(0.287)	(0.370)	(0.296)
Unemployment	4.327***	4.130**	5.873**	2.475
	(1.341)	(1.743)	(2.882)	(2.724)
n	67,404	34,330	10,653	16,157
Pseudo R^2	0.042	0.044	0.047	0.037

Dependent variable is probability of household food insecurity.
Estimated using Current Population Survey Food Security Supplement, 2001-2013.
Sample restricted to households with children below 185% poverty.
Values are raw logit coefficients. Cluster robust standard errors in parentheses.
State and year effects estimated but not reported.
**** p<0.01, ** p<0.05, * p<0.1*

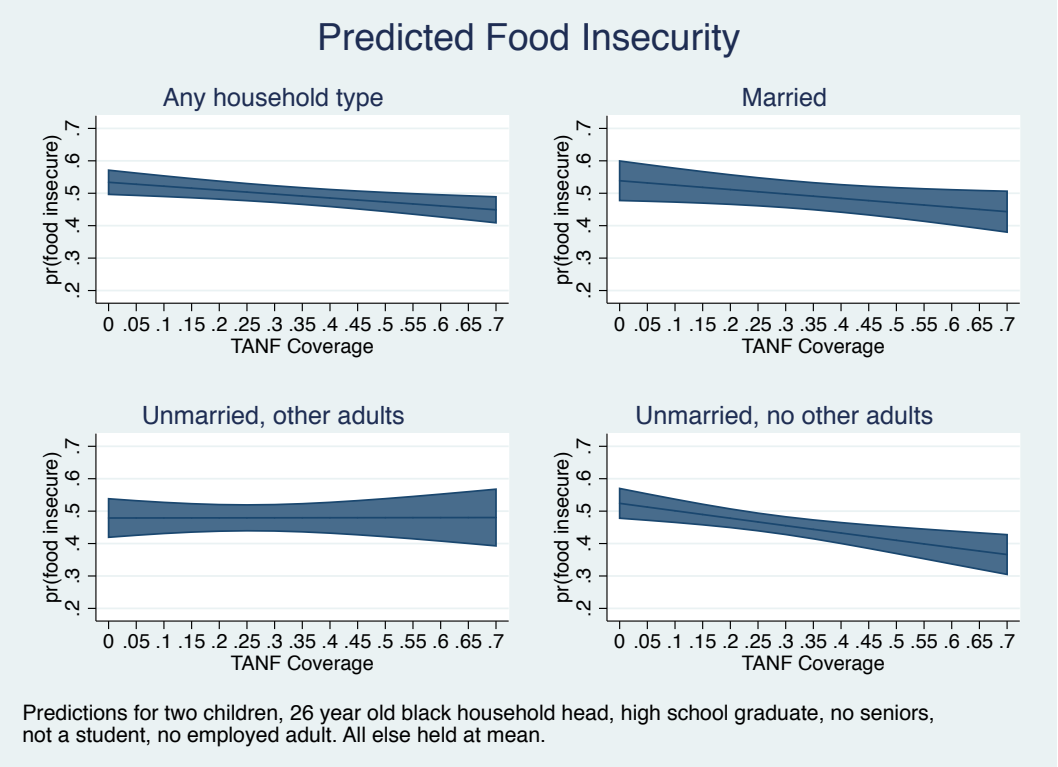


Figure 4.2: Predicted probability of food insecurity as function of TANF coverage.

Employment

Across the food insecurity models, one of the strongest household predictors of hardship is employment—households with at least one employed adult present are at considerably lower risk for food insecurity than comparable households without an employed adult. This finding highlights the importance of considering whether TANF coverage is related to work. The complete household employment model results are presented in Table 4.5. Mean marginal effects are shown in Figure 4.3. TANF coverage is not a statistically significant predictor of the probability of a household having an employed adult present for any household configuration. The results fail to provide support for Hypothesis 3, that increased accessibility of traditional cash benefits reduces the probability of a household being attached to the labor market.

Table 4.5: Employment logit model results (varying denominator coverage).

	All	Married	Unmarried, other adults	Unmarried, single
Household head characterics				
Age	0.051***	0.046***	-0.040***	0.137***
	(0.004)	(0.009)	(0.011)	(0.016)
Age^2	-0.0008***	-0.0009***	-0.0003*	-0.0020***
	(0.00005)	(0.0001)	(0.0001)	(0.0002)
Black non-Hispanic	-0.663***	-0.347***	-0.525***	-0.178**
	(0.053)	(0.075)	(0.105)	(0.074)
Hispanic	0.521***	0.465***	0.253	0.183
	(0.156)	(0.100)	(0.156)	(0.115)
Other non-white	0.020	0.060	-0.120	-0.215*
	(0.105)	(0.171)	(0.127)	(0.123)
Student	-0.314***	-0.544**	0.015	-0.214**
	(0.077)	(0.256)	(0.208)	(0.103)
Highest education				
High school	0.778***	0.532***	0.631***	0.603***
	(0.038)	(0.072)	(0.079)	(0.065)
Some college/2 yr degree	1.085***	0.795***	1.019***	0.851***
	(0.047)	(0.057)	(0.086)	(0.075)
Bachelor's+	1.664***	1.230***	1.377***	1.235***
	(0.065)	(0.101)	(0.114)	(0.087)
Household composition				
1+ seniors	-0.014	-0.329***	-0.484***	0.012
	(0.101)	(0.115)	(0.153)	(0.311)
Two children	0.296***	0.338***	0.221***	0.002
	(0.034)	(0.070)	(0.075)	(0.045)
3+ children	0.244***	0.264***	0.148*	-0.295***
	(0.035)	(0.058)	(0.085)	(0.056)
State characteristics				
TANF coverage	0.342	-0.021	-0.235	0.320
	(0.215)	(0.370)	(0.416)	(0.414)
Unemployment	-1.393	-6.441	-8.049***	0.093
	(1.416)	(4.267)	(2.332)	(2.133)
n	67,404	34,330	10,653	16,157
Pseudo R^2	0.075	0.072	0.065	0.061

Dependent variable is probability of employed adult in household.
Estimated using Current Population Survey Food Security Supplement, 2001-2013.
Sample restricted to households with children below 185% poverty.
Values are raw logit coefficients. Cluster robust standard errors in parentheses.
State and year effects estimated but not reported.
**** p<0.01, ** p<0.05, * p<0.1*

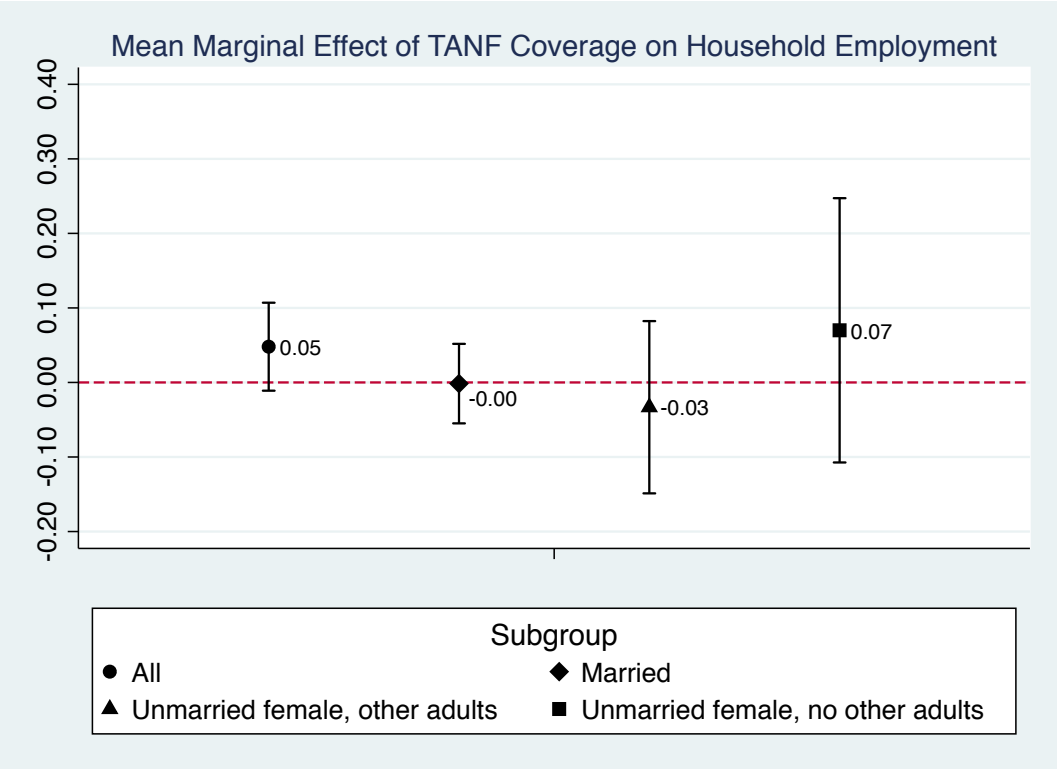


Figure 4.3: Mean marginal effects of TANF coverage on probability at least one employed adult in household (symbols represent point estimates, bars represent 95% confidence intervals).

Exogeneity of TANF coverage

The analyses reflect a causal argument, that as TANF coverage declines the risk of hardship for a low-income household increases (and, conversely, that an increase in TANF coverage reduces the risk of hardship). The models include state fixed effects (which should remove the confounding influence of any unobserved, time-invariant state-level factors) and year fixed effects (which should address within-year common shocks)[5]. The model is causally identified if—and only if—the condition of strict exogeneity is met. There cannot be a third, unobserved factor that simultaneously increases the probability of a household experiencing food insecurity and lowers TANF caseloads.

Intuitively, the strict exogeneity condition appears to be met. There are reasonable scenarios in which an unobserved third factor increases hardship while increasing cash assistance caseloads, such as an economic downturn or natural disaster. These conditions, however, produce a relationship precisely *opposite* that found in the analyses. Any endogeneity arising from these conditions would likely reduce, not increase, the magnitude of any observed effects. Further, if there were some third, unobserved factor both increasing the risk of food insecurity in low-income households and decreasing caseloads, then TANF coverage should also be predictive of changes in food insecurity for households meeting the income criteria but unaffected by TANF cash benefits policy. Re-estimating the food insecurity and employment models in a subsample drawn from the same CPS-FSS samples but now only including households *without* children (household head still restricted to under age 65 and income to less than 185% of poverty) provides no evidence of a relationship between TANF coverage and either food insecurity or employment. The evidence, then, tends to support the exogeneity of TANF coverage.

[5]The model is not a true "fixed effects model" as is typically described in the context of panel data, as the indicators control for group membership rather than within-individual variation (the CPS sample changes continually). Nonetheless, such analyses are quite common, and there is little reason to believe the CPS sample would change in a systematic way over time that, in turn, biases estimation.

Validity Check

The key independent variable in this study, TANF coverage, has two components (TANF cases and families in poverty) that vary longitudinally. The empirical models therefore inherently contain a threat to validity, as they could be influenced by changes in either value. As noted previously, I generated a second version of the TANF coverage variable in which the denominator is the averaged count of families in poverty from 2001 to 2013. This version holds families in poverty constant, so only the number of TANF cases changes across time. If the analyses presented previously are primarily a product of changes in family poverty rather than changes in TANF coverage, using the fixed denominator version of the variable should produce quite different results. Mean marginal effects for the food insecurity analysis, but this time using the fixed-denominator coverage measure, are presented in Figure 4.4. Parallel results for household employment are shown in Figure 4.5.

Patterns of sign and significance are, in all but one case, identical to those in the counterpart varying-denominator analyses. TANF coverage is significantly and negatively related to the probability of food insecurity for pooled households, married households, and households headed by a single female with no other adults present (by magnitude, once again the strongest relationship). No statistically significant relationship was found to households headed by a single female with other adults present. Again paralleling the varying-denominator results, no evidence of a relationship was found between TANF coverage and employment in the pooled low-income households subsample, in households in which the head is married, and in households headed by an unmarried female with no other adults present. Households headed by an unmarried female with other adults present offers the only result producing a different conclusion than the varying-denominator analysis. Here, increases in TANF coverage are associated with a statistically significant decrease in the probability of a household having an employed adult present. This subgroup is, however, also the least affected by changes to TANF coverage with re-

spect to food insecurity, so there could be some unobserved aspect of these households producing idiosyncratic results. The parallel findings for the other households are encouraging with respect to validity of the TANF coverage measure.

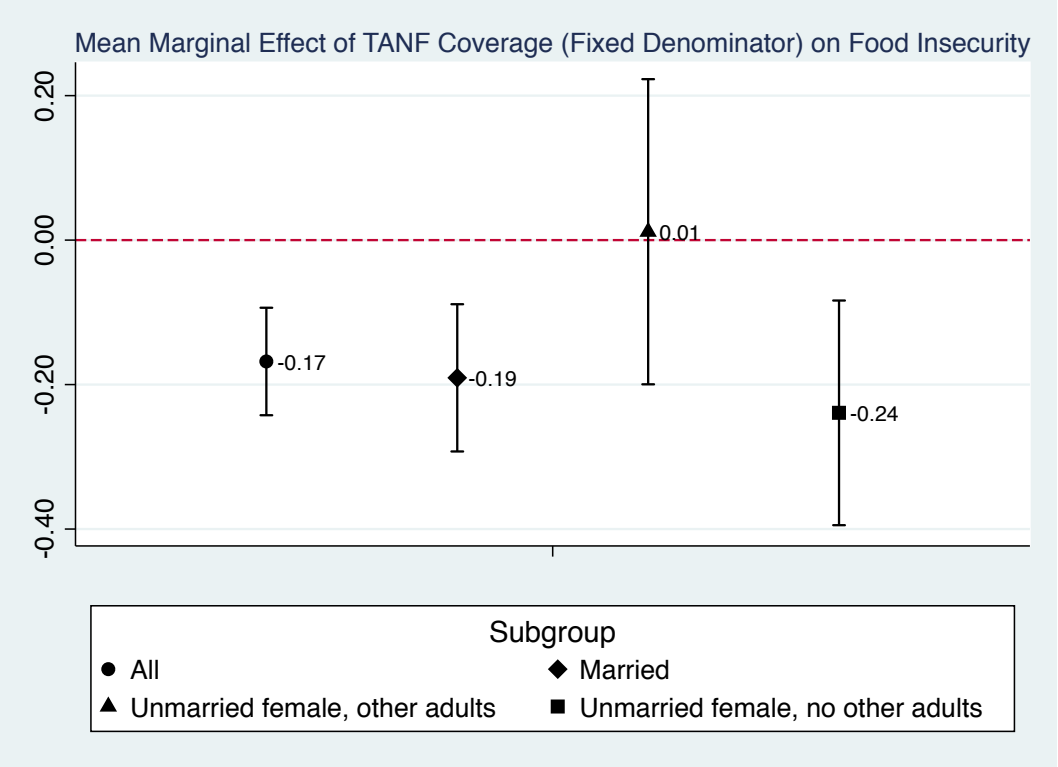


Figure 4.4: Mean marginal effect of TANF coverage (fixed denominator) on household food insecurity (symbols represent point estimates, bars represent 95% confidence intervals).

Discussion

The analyses provide support for Hypothesis 1, that less restrictive access to benefits is associated with a reduced risk of hardship, and generally fail to provide support for Hypothesis 2 and 3, that increased access to benefits is associated with an increased risk of hardship and reduced probability of household employment, respectively. In concert, these findings challenge the neoliberal view of poverty relief. Benefits access neither increases hardship nor disincentivizes employment in these analyses. Cash benefits cov-

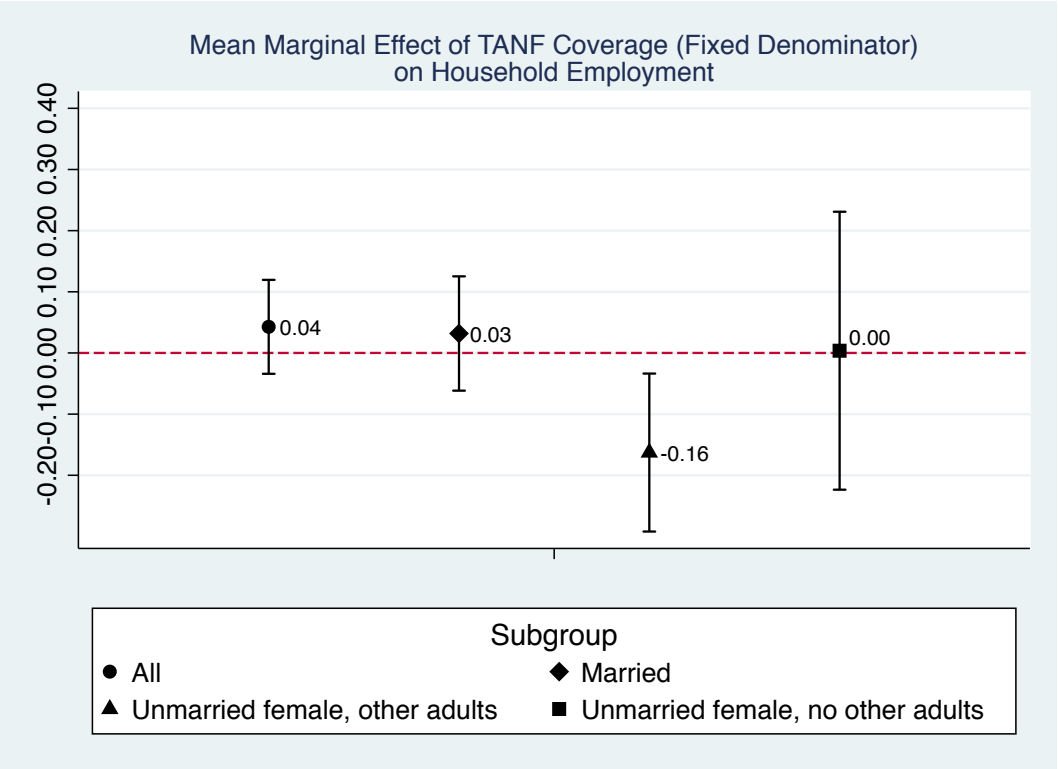


Figure 4.5: Mean marginal effects of TANF coverage (fixed denominator) on probability at least one employed adult in household (symbols represent point estimates, bars represent 95% confidence intervals).

erage is, however, associated with a lower risk of material hardship, indicating that traditional welfare can serve a safety net function. Welfare reform has, with respect to low-income Americans, been generally successful in reducing dependence, but it has done so by exposing vulnerable households to economic risk. Findings have implications for both TANF specifically and the movement toward market-oriented social policy generally.

TANF Implications

The first implication with respect to TANF itself concerns the role of the low-wage labor market in economic relief. The logic of reform suggests that work—any work—will provide opportunities for disadvantaged families to advance economically, while receipt of government support will hold them back. Market participation is superior to economic relief, both morally and for improving wellbeing. The study's findings challenge the assumption of the ability of the labor market to sufficiently meet economic needs. It is true that work is superior to welfare in securing material wellbeing, and my own household-level controls support this proposition. Households with an employed adult have a significantly lower probability of experiencing food insecurity. In other research, women who are able to secure stable employment after leaving welfare have increased household income and a reduced chance of experiencing material hardship (S. Danziger, Corcoran, Danziger, & Heflin, 2000). Adequate work hours and stable employment, even in the low-wage labor market, are also associated with reduced maternal depression and more positive parenting styles (Jackson, Bentler, & Franke, 2008).

Findings suggest, though, that tying poverty relief to work exposes vulnerable families to risk. If market forces, accompanied by the imperative to participate in the labor market, were sufficient to alleviate hardship in the absence of a safety net, access to benefits should not be related to material wellbeing. Wages should simply substitute for benefits. I observe, however, a different pattern—as access to benefits decreases, hardship increases. The relationship between access and hardship is particularly strong for

single-mother headed families without other adults, the ostensible target of welfare and the population reform was intended to affect. Despite its success in reducing caseloads, then, TANF has failed to provide an adequate financial backstop for particularly vulnerable households.

Neoliberalism marketizes public policy, and in the case of reform ties poverty alleviation to the low-wage labor market. For a market to operate effectively, supply and demand must work in concert. For potential workers, jobs are a good to be obtained; the market fails if either the good is not actually demanded or if the supply of the good is inadequate to meet demand. Reform began with the premise that the problem lies on the demand side—individuals simply do not wish to work. Ethnographic and other qualitative studies, however, have found that adults in low-income families value work and participate in the labor market to the degree they are able (Edin & Lein, 1997). This orientation toward work continues to the present day, with the extremely poor interviewed by Edin and Shaefer (2015) identifying themselves as part of the labor force. The punitive and corrective orientation of reform may, then, be misplaced. Training in both vocational and soft skills may benefit some, and perhaps even many, adults in low-income households, but there is limited evidence that poverty is a failure of the work ethic that must, at risk of punishment, be corrected. If adequate jobs for low-skilled workers are a product of the market, the problem does not lie on the demand side—even disadvantaged individuals have a strong desire to work. It may, instead, be on the supply side.

Clients that successfully exit TANF are inevitably funneled into low-wage employment (Collins & Mayer, 2010; Corcoran, Danziger, Kalil, & Seefeldt, 2000), at least in a good economy when opportunities are available. Potential for advancement is limited in many of these jobs, and they often lack benefits such as health insurance (Appelbaum & Schmitt, 2009; Newman, 2006). Insecurity is also a hallmark of the contemporary low-wage labor market; in addition to low wages, hours may be inadequate or inconsistent and the term of employment may only be temporary (Alexander & Haley-Lock, 2015;

Appelbaum & Schmitt, 2009; Lambert, 2008; Lambert et al., 2012). One may be attached to the labor force yet unable to secure sufficient employment. Simply requiring work does not guarantee adequate economic resources, but the restriction of cash benefits provides no viable alternative to participation in the low-wage labor market. It is therefore particularly notable that TANF coverage is not generally related to employment in the analyses. Households are attracted to employment even in the presence of a more-robust safety net.

Finally, findings suggest that caseload reduction is an inappropriate outcome measure for determining the success or failure of safety net programs. By the caseload reduction criterion, TANF is clearly a success. If caseload decline induces hardships such as food insecurity, however, it may exacerbate rather than alleviate the challenges faced by the most vulnerable households. Food insecure households are at risk for difficulties such as poor health and mental health outcomes, developmental risks in children, and child welfare involvement (Lombe, Nebbitt, Sinha, & Reynolds, 2016; Rose-Jacobs et al., 2008; Whitaker, Phillips, & Orzol, 2006; Yang, 2014). Caseload reduction as a policy objective does not take into account these potential side effects. Even if only a small number of households are put at risk by caseload reduction, it merely amplifies the challenges experienced by those in the most difficult economic circumstances. Income poverty among families with children or food security itself may be more appropriate metrics of success. Federal policy could incentivize these outcomes in the states by changing the triggers for block grant penalties and credits. Employment could still be an intermediate goal, and it is reasonable to posit that reductions in income poverty and hardship would also reduce demand for benefits and thus caseloads. Only adequate and stable employment, however, would lead to meaningful changes in these alternative indicators. As it currently exists, federal TANF policy provides states with no incentive to meet this objective.

Macro Implications

While welfare is merely one policy field, welfare reform represents a much larger movement in public policy. Risk is increasingly borne by the individual and public functions marketized. In the case of welfare, the emphasis on work participation (and the parallel rise of the EITC) ensures a ready pool of laborers who must work regardless of conditions. Other elements of the safety net have become market-oriented in other ways, such as the movement away from defined benefit pensions to tax-advantaged individual investment accounts in retirement planning (Cobb, 2015; Poterba et al., 2007). Related patterns can be seen in the liberalization not only of the social safety net, but other policy fields. It is evident in education, for example, through the charter school movement and emphasis on high-stakes testing in public schools (Hursh, 2007). In the realm of criminal justice, an entire private industry devoted to the construction, maintenance, operation, and management of prisons has arisen as governments have increasingly sought to contract out these tasks (Price & Schwester, 2010; Selman & Leighton, 2010). In health care, the Affordable Care Act requires many categories of individuals to participate in a market and provides subsidies for that participation.

This study challenges the blanket assumption that markets and market-like institutions are superior to other policy approaches, and that the purpose of public policy is simply to establish and service markets. Other institutional forms may be appropriate for some policy fields. Markets inevitably produce winners and losers, and inequality is one of their defining features. In a market for a particular good, the most efficient price is still higher than that preferred by some portion of consumers. In practice, markets may also feature information asymmetries that provide advantages to some participants over others. Further, some individuals may be better equipped to succeed in the given market. In the case of TANF, work is preferable to benefit receipt, but not all individuals are equally able to succeed in the low-wage labor market. Among those able to participate, other concerns (e.g., child care, transportation) impose costs on some individuals

but not others. Some individuals may be more skilled, and therefore able to advance and exit the low-wage market, while others may either remain in or routinely fall back into low-wage work (C. Campbell, 2012). The presence of barriers means some participants are better able to compete in the market, and therefore are protected against hardship, than others. Non-market alternatives may better meet the needs of such individuals and families during challenging economic periods.

There have been recent proposals to model other welfare state programs, such as the Supplemental Nutrition Assistance Program and Medicaid, on TANF, devolving control to the states and implementing more stringent work requirements. Market-based reforms have also been suggested for social insurance programs such as Medicare (through privatization and/or movement to a voucher-based system) and Social Security (through conversion to investment accounts). Examination of TANF indicates that careful consideration should be given to, first, whether the desired policy outcome can be effectively met by markets and, second, what groups among the target population are least able to compete in the created market. For example, seniors with the greatest health needs could be disadvantaged under a marketized Medicare; the retirement security of less financially sophisticated consumers might become unstable under a privatized system of Social Security. TANF-like reforms also provide states with particular sets of incentives, so the behavior of government and its relationship to social protection must be considered. In the case of TANF, its structure leads subnational governments to reduce caseloads and use funds for purposes other than economic relief. It is now less adequate as a safety net. Modeling SNAP on TANF could have parallel effects.

Finally, the findings presented here suggest that a return to a more robust safety net has desirable features. A leading rationale for welfare reform was that welfare served as a poverty trap. Since work pays more than cash assistance, receiving welfare prevented households from economically advancing. In essence, it increased, not decreased, the probability of hardship (Ellwood, 1988). The analyses suggest a safety net and employ-

ment can exist in concert without the need for punitive and restrictive policy approaches. It would be disingenuous to suggest there are no labor disincentive effects in the provision of welfare (R. A. Moffitt, 2002), however, and these findings may apply only to TANF in its current form. It is also possible that benefits coverage has other employment-related effects, such as reducing the number of hours a potential beneficiary engages in work or allowing eligible households to be more selective about factors such as job location or quality. If social and economic well-being are the desired outcomes of welfare policy, however, potential side effects must be balanced against the current state of the low-wage job market and its attendant challenges. Present policy has failed to achieve an equilibrium between labor market incentives and protection from material harm for the most vulnerable households.

Conclusion

The 1996 welfare reform law is often hailed as a success, and has been suggested as the model for other changes to the American welfare state. It required labor market participation under any circumstances by limiting access to benefits and implemented punitive policy tools to enforce it. Welfare reform is the signature element of a broader neoliberal turn in U.S. governance, and market logics have been applied to policy fields as diverse as education and criminal justice. State functions are increasingly provided by markets or market-like institutions, and the purpose of the state is to service these markets. Welfare reform provides an opportunity to empirically test neoliberal assumptions. Using a set of quantitative models, I examine the relationship between hardship as indicated by food insecurity in low-income households with children and state-level cash benefits coverage from 2001 to 2013. I find that an increase in cash benefits coverage is associated with reduced, not greater, material hardship, particularly for female-headed households with no other adults present. Further, I also do not find a consistent relationship between household employment and cash benefits coverage. Both of these findings challenge the

assumptions of neoliberalism as applied to welfare policy.

Findings from these analyses have implications both for TANF and for social policy more broadly. Specific to TANF, the low-wage labor market alone appears insufficient for alleviating household hardship, and reducing the availability of an economic fallback has induced harm. Conversely, making benefits more accessible bears no or little relationship to household engagement with employment. Together, these findings suggest caseload reduction alone is an inappropriate target for welfare policy. More broadly, since this assessment of TANF undermines key assumptions of neoliberalism, it calls into question the broader movement toward market-oriented social policy. Programs for economically disadvantaged populations, such as SNAP and Medicaid, are the most obvious parallels, but proposed reforms to social insurance programs, as well as actual initiatives in fields such as education, assume markets and market-like institutions produce superior outcomes to other institutional forms. These assumptions may not hold, and indeed may further disadvantage those least able to compete in such markets. As demonstrated by the success of the Earned Income Tax Credit with respect to returns from low-wage work, market-based policies are desirable solutions to some social and economic problems. They are not universally applicable, however, and the blanket movement toward market solutions ignores the potential harms resulting from their inappropriate use.

CHAPTER V

Conclusion

Introduction

This dissertation presented three papers on state implementation of Temporary Assistance for Needy Families, the program typically referred to as "welfare" in the United States. In the more than twenty years since the passage of welfare reform, the program has changed immensely. It is typically viewed as a cash assistance program for low income families differing from its predecessor, Aid to Families with Dependent Children, in not featuring a categorical entitlement to benefits[1]. TANF includes time limits, work and other behavioral requirements, and allowed states to sanction clients in violation of those rules by docking or even permanently discontinuing benefits. Considering TANF as only a cash assistance program, this description is correct. Cash assistance, however, now accounts for approximately one quarter of all spending justified under TANF. Including work supports, child care, and similar social services in addition to basic assistance still includes only half of overall TANF expenditures. TANF is not, in reality, a cash assistance program with time limits and behavioral requirements. Rather, it is a funding stream states partially use for cash assistance and supports for cash assistance beneficia-

[1] AFDC and its own forerunner, Aid to Dependent Children, were also not initially entitlements. As discussed elsewhere in this dissertation, AFDC took on entitlement status in the the late 1960s and early 1970s. State and local policies and administrative practices had, prior to that point, been quite discriminatory and used to restrict participation by racial and ethnic minority families (Lieberman, 1998; Noble, 1997; Weaver, 2000).

ries (Falk, 2013). The distinction is important, and treating TANF as a funding stream has implications for research, for social work, and for social policy.

The dissertation papers considered three distinct but related aspects of TANF's current form. Chapters 2 and 3 examined state uses of TANF resources. Chapter 2 addressed the puzzle of cash assistance within TANF-as-funding-stream. All states have incentives, such as caseload reduction credits reducing work participation requirements and administrative burden, to de-emphasize cash assistance. Cross-sectionally, though, there is wide state variation in the percentage of TANF funds devoted to basic assistance. Longitudinally, states also vary in their degree of decline in cash assistance since welfare reform. Chapter 2 used a set of growth curve models, a type of multi-level or hierarchical model in which state-year observations are nested in states and time is treated continuously (Raudenbush & Bryk, 2002), to examine basic assistance expenditures and change in basic assistance expenditures from 1998 to 2013. States also devote their remaining funds to a wide variety of purposes, and Chapter 3 examined patterns in categorical TANF spending from 2000 to 2013. Two analytic methods were used. For categories of spending in which almost all states expended resources in almost all years, I estimated mulitilevel linear models nesting state-year observations in states; common shocks were controlled for using year indicator variables. This procedure is not appropriate for categories of spending, such as tax credits, with many observations of zero. For these categories, I estimated a series of cross-sectional logit models of the probability of a state expending resources in the category.

Chapter 2 and Chapter 3 paid particular attention to the role of race in the politics of welfare policy implementation. There is a long-standing connection between race-oriented politics and welfare in the United States, stretching from exclusionary rules and practices in Progressive-era state mother's pension programs (Ward, 2005) to state decisions over cash assistance rules and requirements under TANF (Fellowes & Rowe, 2004; Soss et al., 2011, 2001). I measured the salience of race to state welfare politics in Chapter

2 and Chapter 3 differently from most previous studies, however. Typically, quantitative inquiries into state welfare policy design use the racial and ethnic demographics of either the state population or the cash assistance caseload to operationalize the salience of race. If the policy image associated with welfare is inherently racialized—that is, if the presumed target population of cash assistance is assumed by observers to be from a racial or ethnic minority group—then majority group racial attitudes are also relevant (Gilens, 1999; Hancock, 2004). Johnson (2001) demonstrated that both demographics and white racial attitudes are relevant using data on AFDC benefits, accounting for the relationship between demographics and attitudes using a structural equation model. I generate a variable measuring the prevalence of extremely negative stereotyping of blacks by whites at the state level using multi-level regression with post-stratification (Gelman & Hill, 2007; Kastellec et al., 2010; Lax & Phillips, 2009b) and the 2008 National Annenberg Election Survey dataset (Annenberg Public Policy Center, 2010). I include the proportion of the state population identifying as black in the predictive model; as such, Chapter 2 and Chapter 3 update the general approach of Johnson (2001), applying it to TANF and using different techniques.

Chapter 4 considered the implications of TANF's changes over time for low-income families. Since welfare reform, and as a product of the phenomena examined in the policymaking chapters, state cash assistance caseloads have decline dramatically, if unevenly (Bentele & Nicoli, 2012). Conversely, employment among single mothers increased (R. Blank, 2002; S. K. Danziger, 2010; Rodgers, 2006). An assumption underlying welfare reform was that the ready accessibility of cash welfare induced disadvantageous behaviors in economically vulnerable families, limiting work and economic advancement and, in turn, exacerbating rather than truly relieving hardship. I test these assumptions, closely related to the concept of neoliberalism, the application of market principles to public functions, using models evaluating the relationship between state-year TANF coverage (the ratio of cash benefits cases to families in poverty) and the experiences of eco-

nomically vulnerable households. One model set relates TANF coverage to the probability of a household experiencing food insecurity, a form of material hardship. The second set of models considers the association between TANF coverage and the probability of a household having an employed adult present.

In concert, the three empirical papers address some of the key processes underlying TANF when treated as a funding stream and the consequences for economically vulnerable families in the United States. In doing so, the dissertation makes scholarly contributions to social science (political science, sociology, and applied economics). It advances understanding of the role of race in American state politics and policymaking, the implications of federalism for cash assistance, predictors of material well-being of low-income households, and the work incentives of contemporary redistributive policy. From an applied perspective, the studies aid in the evaluation of TANF and, in turn, offer lessons for the reform of other social welfare programs. Finally, these studies have implications for social work. Most obviously, they serve as a needs assessment for policy practice. They also, however, identify an important and under-addressed ethical issue produced by TANF's structure, as social service programs may be in direct competition with monetary support for clients under the program's mantle. This concluding chapter of the dissertation, after briefly reviewing and unifying the findings from the three empirical studies, considers each of these issues in turn.

Summary of Findings

Core Findings

The major finding of the policymaking chapters, Chapter 2 and Chapter 3, is that race still matters to welfare policy even when treating TANF as a funding stream rather than purely a cash assistance program. In both papers, prevalence of negative racial views among whites is inversely related to basic assistance spending—when negative stereo-

types of blacks are fairly common among whites, the state devotes fewer resources to traditional cash assistance. These results are consistent with previous theory and empirical research, including social constructionist and related approaches that suggest the image of the perceived target population of a policy is related to the policy solutions applied to that population (Schneider & Ingram, 1993; Schneider & Sidney, 2009). The result is also consistent with Soss et al.'s (2011) Racial Classification Model. Chapter 2 also provides suggestive evidence of an interaction between government political ideology and the salience of race, with racial salience acting as a constraint on the expected influence of government liberalism on basic assistance spending. Previous state welfare scholarship has treated partisan or ideological characteristics of government and racial salience separately, but Chapter 2 indicates they could operate together in interesting and important ways. The evidence is fairly weak, however, and should be taken as a call for additional investigation only.

Interestingly, the rate of change over time in welfare policy was not found to be related to racial salience in Chapter 2. As discussed in that chapter, the strongest explanation for state decline in cash assistance is simply time itself. This is not to imply, however, that race *does not* matter over time. It matters in two ways, one of which is implied in Chapter 2 and one of which is likely based on other existing studies. First, the white racial attitudes variable in Chapter 2 is explaining a portion of the state-specific intercept. In a growth curve model, a time-invariant variable describes contributions to the starting point (here, 1998) (Raudenbush & Bryk, 2002). All state behavior with respect to cash assistance spending follows from that point, so it is to a degree path dependent (that is, a regression in any given year will generally show a relationship between the white racial affect variable and basic assistance expenditures). Second, there could be some additional influence of race-oriented politics in any given year that is not detectable in a quantitative study. H. E. Brown (2013), for example, shows that external race-centered incidents in state politics, such as controversy over display of Confederate symbols, can spill over

into welfare policy and produce changes in a more stringent or punitive direction. Such processes could also affect basic assistance spending but, with no way to directly measure them, become random error in a quantitative model.

In addition to providing an alternative means of analyzing state basic assistance expenditures, Chapter 3 examines alternative uses of TANF funds. It reinforces the salience of racial politics to basic assistance, with a larger proportion of whites in the state expressing negative views of blacks associated with reduced financial effort devoted to traditional cash benefits. Evidence also indicates that states in which whites express more negative racial views are more likely to use TANF funds in support of pregnancy prevention and/or two-parent family formation initiatives. This finding is consistent with the proposition that a racialized image of welfare influences policy implementation. Out-of-wedlock births and excessive childbearing are, for instance, associated with the stereotyped, racialized image of the "welfare queen" overly reliant on government benefits (Hancock, 2004). There is also weak evidence—a relationship was only found in one of three examined years—for an association between white stereotyping of blacks and an increased probability of a state using resources for refundable tax credits. While superficially surprising, such a connection does follow logically from policy design theory (Schneider & Ingram, 1993; Schneider & Sidney, 2009). If "welfare users" are a negatively perceived population, "low-wage workers," the beneficiaries of such tax credits, are a more positively perceived counterpart. In reality, these are not distinct groups, but they do carry different connotations and could be placed in opposition to one another. Many in the mass public also do not perceive tax credits as government supports (Mettler, 2011).

In Chapter 4, I find that the decreasing availability of cash assistance has exposed vulnerable households to an increased risk of material hardship. Examining state cash assistance coverage from 2001 to 2013, I find that decreases in coverage are associated with an elevated probability of a household experiencing food insecurity, the inability to consistently obtain an adequate quantity and quality of food. The finding is particularly strong

for households headed by a single female with no other adults present, arguably the most economically disadvantaged and at-risk household type. The decline of cash assistance has made the most obvious safety net program for these families nearly inaccessible in some states and limited in all, and it has caused measurable harm. At the household level, one of the strongest predictors of food security is the presence of at least one employed adult. A natural concern, then, is the potential for cash benefits coverage to reduce the probability of employment, which would then exacerbate rather than alleviate hardship. Changes in TANF coverage, at least after the year 2000, are generally unrelated to the probability of a household having an employed adult present, however. The sole exception is for households headed by an unmarried female but with other adults present. The effect only appears in one version of the model (in which the denominator in the TANF coverage variable is held constant over time), though.

Secondary Findings

Some ancillary findings of the dissertation are also worth mention. First, the analyses in Chapter 2 indicate that fiscally stressed governments devote less effort to cash assistance. If correct, TANF's ability to act as a cash safety net during economic downturns is suspect—demand for cash assistance would be increasing precisely as states shift resources away from basic economic support. The fiscal health finding was not duplicated in the Chapter 3 basic assistance analyses, however, so based on the empirical chapters it is difficult to draw sweeping conclusions. Nonetheless, the mere hint of a relationship indicates further investigation could prove fruitful. Appendix D presents some preliminary analyses that begin to shed light on the conflicting results; fiscal stress appears to be associated with basic assistance spending during some time periods and not associated during others. The time-varying nature of the effect may explain the inconsistent results produced using different model types, as in Chapter 2 and Chapter 3. Chapter 3 does find a relationship between fiscal stress and transfers to the Social Services Block Grant,

a relationship not found by Lambright and Allard (2004). The contrast could be produced by different methods (the earlier study used a different model form and a different measure of state fiscal health) or it could be a result of examining different years, with the link between fiscal politics and SSBG transfers out of TANF having some unobserved time-varying component.

There are surprisingly few predictors of state spending in alternative areas. Perhaps most unusual is the seeming lack of a strong, consistent relationship between TANF expenditure patterns and government political ideology. In an era of extreme partisan polarization, including at the state level (Shor & McCarty, 2011), differences in the implementation of TANF as a funding stream based on partisan and ideological orientation of state government follow logically. In early TANF implementation scholarship, Soss et al. (2001) found government ideology was related the strength of state welfare sanction policies (e.g., whether a state docked some or all of the household benefit), with more conservative governments adopting stricter policies. They did not find a relationship between ideology and any other area of policy design, however, such as adoption of stricter work requirements or shorter time limits. In later work, Soss et al. (2011) conclude government ideology has not played a strong role in TANF, racial politics being the key predictor of welfare policy design decisions. Indeed, they similarly find few predictors of state cash assistance policy choices with the sole exception of caseload racial demographics. The studies in Chapter 2 and Chapter 3 suggest a similar pattern in TANF as a funding stream.

Chapter 4's examination of employment in low-income households also raises interesting additional questions. One of the key successes of welfare reform was an increase in single-mother employment, yet changes in TANF coverage generally have no relationship to employment in the analyses conducted here. Importantly, the data in Chapter 4 begin chronologically in 2001, the year in which administration of the Current Population Survey Food Security Supplement was standardized. Coincidentally, 2001 is also

approximately the tail end of the steepest declines in state cash assistance caseloads. It is possible, then, that declines in coverage did have a positive effect on employment prior to the study period, but once TANF had matured the relationship weakened or ceased. For example, the subpopulation of individuals moving from welfare into the labor market in the late 1990s and early 2000s might be qualitatively different from individuals still requiring support after this period. A further surprising finding from the Chapter 4 study is the lack of a detectable relationship between state-year unemployment rate and the probability of employment in low-income households. Only households headed by an unmarried female with other adults present showed any sensitivity to prevailing unemployment. If this finding is sustained after further scrutiny, it indicates the relationship between disadvantaged households and the labor market is governed by a different set of forces than those that influence the labor market behavior of other households.

Together, these findings provide a picture of contemporary welfare and the processes that produced the current state of TANF. States in which race, particularly with respect to blacks, is salient to politics have, since TANF's inception, devoted less effort to cash assistance. As in many other aspects of welfare, basic assistance spending follows a racialized pattern, both reflecting and reinforcing pre-existing social and economic disparities. The incentives built into TANF's structure incentivize movement away from cash assistance regardless of need, but also encourage states to maintain a high level of spending justified under TANF. With fewer resources devoted to cash assistance, the safety net for low-income families has become less durable. In turn, low-income households are at elevated risk of material hardship. Indeed, those welfare reform was seemingly most designed to affect, single-mother headed families, have seen the greatest increase in risk. While reform is considered a success by criteria such as the increase in single mother employment and cash assistance caseload declines, by other criteria its accomplishments are less laudatory. It continues to reflect and reinforce existing disparities and fails to provide particularly vulnerable families with an adequate economic fallback.

Limitations

A distinct concern in both Chapter 2 and Chapter 3, but most especially Chapter 3, is the high degree of noise in the state expenditure data used to produce the dependent variables. The categories delineated by the federal government are not only poorly defined, but accounting practices allow states to correct previous reports by simply including the value of the correction in the current report. Reported values, then, do not map neatly onto actual effort, creating concerns regarding validity. Unfortunately, there is no other source of information on TANF-funded activities comparable across states, and the noise must be managed to the degree possible and clearly admitted. State accounting practices inevitably muddy empirical results, but there are no viable alternatives for studying TANF-as-funding-stream. This limitation is also suggestive of a need for policy action to improve data collection. Certainly, social science and public policy researchers have an intrinsic professional interest in the collection and dissemination of data. Data can also, however, aid policymakers in identifying effective interventions, and thus be a tool of policy learning.

The models used in Chapter 2 and Chapter 3 are also not causally identified. Findings with respect to race and politics are consistent with theory, however. It is difficult to devise a scenario in which TANF expenditure patterns cause changes in white attitudes toward blacks, so it is reasonable to rule out simultaneity bias. The models themselves control for a number of relevant social, political, and economic factors to reduce the chance of detecting a spurious relationship. Finally, in Appendix B, I repeat the analyses with respect to basic assistance, but include additional potential confounders—an indicator for southern region and indicators of state political culture (Elazar, 1966; Morgan & Watson, 1991). The racial affect/basic assistance relationship is generally durable in both cases. The sole exception is a model including an indicator variable for the U.S. south with a dependent variable expressed as the ratio of basic assistance expenditures to households in poverty. With the inclusion of the south indicator, the coefficient on white

attitudes with respect to blacks remains negatively signed and similar in magnitude. Uncertainty, however, increases, resulting in a loss of statistical significance.

The major limitation of Chapter 4 is its reliance on a type of ecological inference. Its underlying argument is that differences in availability of cash assistance are related to differences in experiences of household hardship. The "treatment" is not whether an individual household participated in TANF cash assistance, but rather the extent of cash benefits coverage in the household's state of residence. It is difficult to consider the results a true measure of treatment effect when factors such as the probability of household uptake are unknown (that is, whether a household would even access benefits if they were offered). Nonetheless, the models do control for unobserved state and year confounders, and the relationship between food insecurity and TANF coverage is opposite that which would be expected if endogeneity were a serious problem (that is, if improvements in family well-being caused caseload declines). Even if a precise relationship between TANF and well-being is difficult to isolate in this model set-up, it offers compelling evidence that the increases in hardship observed since the passage of welfare reform (e.g., increases in public school student homelessness (Ingram et al., 2016)) are at least partly a function of the changing availability of cash benefits.

Contributions to Understanding Poverty in the U.S.

TANF & Social Stratification

A major contribution of the studies in this dissertation is identifying ways in which TANF reflects and reinforces rather than aids in overcoming pre-existing social and economic disparities, most obviously with respect to race. Social theorists such as Massey (2007) and Tilly (1998) describe enduring social inequities as products of group classifications and, in turn, institutionalization of those classifications in ways that allow a dominant group to extract resources from a paired but less dominant group. Racial and

ethnic minorities are disproportionately represented among the economically disadvantaged compared to the population as a whole (DeNavas-Walt & Proctor, 2015). Similarly, they are disproportionately represented on the cash assistance rolls (Administration for Children and Families, 2015). Most obviously, TANF has nationally de-emphasized cash benefits, affecting poor families of all backgrounds and in all states. Given TANF's devolved structure, however, through geography this trend especially affects families of color, particularly blacks. States with larger proportions of blacks devote a smaller portion of their TANF resources to traditional cash assistance. Even this analysis, however, overlooks a further, more subtle way in which TANF sustains social stratification.

A key stated purpose of TANF is to end dependence on cash benefits by increasing work, and the implied logic behind restricted cash benefits is to build reliance on work over public support. For those able to attain adequate employment, work increases material resources, as the employed are economically better off than those receiving cash benefits (S. Danziger et al., 2002). However, the emphasis on work-over-welfare is itself a vehicle for social stratification. Black and Latino job seekers face extensive discrimination in the low-wage labor market; field experiments demonstrate, for example, that a black or Latino individual with no criminal record is treated roughly equivalently to a white individual recently released from prison by potential employers (Pager, Bonikowski, & Western, 2009). Blacks are also less likely to exit low-wage work and, if they do, are more likely to eventually return to low-wage work than their peers (C. Campbell, 2012). There is, then, a double-bind of stratification in the context of contemporary, work-oriented welfare. The cash assistance system that does remain is structured such that black clients are particularly disadvantaged, being more likely to live in a state with restrictive rules and punitive procedures (Soss et al., 2011). It is intended to move clients into a second institution—the low-wage labor market—that similarly reinforces disadvantage and limits opportunity (Neubeck & Cazenave, 2001). The already disadvantaged are, through social policy, placed in a position that only emphasizes rather than addresses the struc-

tural conditions that expose some groups to greater degrees of economic adversity than others.

The link between welfare and race has long been acknowledged, and its further interaction with the low-wage labor market is an important additional mechanism by which social policy emphasizes race-based social and economic stratification. TANF as constituted further stratifies by class. Considering TANF priorities outside basic assistance, for instance, educational activities offered as work supports are intended to move the beneficiary into the labor market as quickly as possible. Support of higher education as an allowable work activity is limited[2]. The orientation of TANF toward education has been associated with an increase in high school completion by girls but a substantial decrease in secondary education and high school enrollment among adult females at risk of welfare participation (Dave, Corman, & Reichman, 2012). Advanced education, however, is one of the strongest predictors of long-term economic success and social mobility, including exit from the low-wage labor market (C. Campbell, 2012; Pandey & Kim, 2008). A program in the state of Maine supporting higher education for welfare-receiving families also produced many positive benefits, including improved material well-being through higher earnings (Butler, Deprez, & Smith, 2004). By broadly discouraging higher education, then, TANF appears designed to limit rather than facilitate mobility by keeping low-wage workers in low-wage jobs rather than providing tools for advancement.

Geography & Disparity

The role of geography in economic disadvantage has long been of interest to poverty researchers. Under TANF, geography is most evident in racially patterned state differences in policy. A family enrolled in TANF cash assistance in, for example, Maine is in a qualitatively quite different program than a family in Louisiana. Chapter 2 and Chapter 3, as well as previous research (Bentele & Nicoli, 2012), also indicate wide geographic

[2]Some states have experimented with secondary education supports for TANF beneficiaries, but these initiatives are not widespread (Lower-Basch, 2007).

differences, again racially patterned, in accessibility of TANF, while Chapter 4 provides evidence that such differences have material consequences for low-income families. Under TANF as a funding stream, though, geography and disparity are related in other ways. TANF emphasizes services over cash assistance, and as a flexible funding stream most of its resources are now directed to a wide variety of services. Some of these—such as childcare—are directly related to assisting families in finding and maintaining work. As described by Allard (2009), however, the shift to services over cash benefits, even if those services are properly targeted (that is, setting aside initiatives such as pregnancy prevention unrelated to poverty relief but justifiable under TANF, or questionably targeted programs such as Michigan's provision of scholarships to middle-income families (Wilkinson, 2016)), creates disparities based on geography that then reinforce racial disadvantage.

Service providers, some of which might receive grants or contracts justified under TANF to offer supports to low-income families, are often not located in the most disadvantaged communities, communities heavily populated by families of color. The burden is on the individual client to seek these services, but that contains its own costs given that the potential client must travel outside the neighborhood (assuming he or she is even able to identify both that services are available and seek the appropriate providers) (Allard, 2009). Concentrated urban poverty of the form described by W. J. Wilson (1997, 2009) is both a particularly deep and intractable form of economic adversity, and is again one that overlaps with the racial geography of urban areas. Using TANF to fund a safety net based on services, then, once again merely reflects rather than addresses underlying issues in the structure of American poverty. A further aspect of the geography of poverty TANF-as-funding-stream potentially exacerbates is the suburbanization of poverty. While urban poverty is well-studied, scholars have documented a rise in poverty in the American suburbs, albeit one that still reflects patterns of racial inequality (Howell & Timberlake, 2014). Suburbs, however, tend to be service-poor compared to cities, with fewer orga-

nizations serving the economically disadvantaged (Murphy & Wallace, 2010). If TANF-as-funding-stream shifts economic relief from direct cash benefits provided by the government to services offered by third-party providers, then it is also poorly equipped to address suburban poverty.

Policy Implications

The studies in this dissertation also provide insight into policy structure, in particular federalized policy. Devolution of policymaking to state and local government has a number of desirable features, including the ability of these lower-level units to address unique local problems and to act as conduits of policy learning. Volden (2006), for instance, documents a process of interstate policy learning in the Children's Health Insurance Program (CHIP) that led to the adoption of practices successful in reducing the rate of uninsurance among children. In the case of cash benefits policy, federalizing social welfare has long been thought to lead to a race-to-the-bottom effect, wherein benefits become ever more meager as states seek to avoid attracting high-need migrants. First articulated by Tiebout (1956), the evidence of the "race" under AFDC and TANF is actually mixed (Allard & Danziger, 2000; Bailey, 2007; Brueckner, 2000; Peterson & Rom, 1989; Rom, Peterson, & Scheve, 1998; Volden, 2002).

This study and others before it, however, demonstrate other concerns with devolved welfare policy. Most obviously, devolved policy can lead to the incorporation of local biases and, in turn, reinforce existing social and economic disparities. In the case of economic relief for low-income families, such disparities have been present from its inception. Differential treatment of black families was formal policy during the state mother's pension era and continued under Aid to Dependent Children and Aid to Families with Dependent Children in numerous guises (Lieberman, 1998; Ward, 2005). While overtly discriminatory practices were ended in the latter years of AFDC, benefit levels continued to follow a race-based geographic pattern (Orr, 1976; Soss et al., 2011; Tropman & Gor-

don, 1978). With the implementation of TANF, rules again were racially patterned—a black potential client is more likely to live in a state with more punitive and restrictive cash assistance rules than her white peers (Fellowes & Rowe, 2004; Soss et al., 2011, 2001). Chapter 2 and Chapter 3 demonstrate that these states also direct fewer resources to traditional cash assistance and more to alternative priorities.

The finding with respect to fiscal health and basic assistance spending in Chapter 2 (see also Appendix D for further analysis, including a preliminary attempt to rectify the inconsistent findings of Chapter 2 and Chapter 3) raises questions about within-state behavior with respect to a flexible funding stream like TANF. Welfare scholarship has tended to focus on, via concern over the "race to the bottom," interstate economic pressure, but the fiscal health finding indicates intrastate economic pressure is an equally valid issue. TANF allows states to fund myriad priorities, and maintenance-of-effort contributions do not need to come from new programming. The state can consider existing, allowable activities MOE in support of its TANF targets and, given credits for reductions in work activity targets, has an incentive to keep MOE spending relatively high. States in fiscal distress, then, can use resources to support other priorities and/or count existing programs as TANF effort, either of which reduces the pool of resources that could be used on cash benefits. This relationship has been the subject of speculation (Lambright & Allard, 2004; Schott et al., 2015), but the study in Chapter 2 is the first to provide empirical evidence supporting its existence. The potential for a retrenchment in cash assistance availability precisely as demand increases, such as during an economic downturn, indicates that TANF is not truly a "safety net" program, a designation that implies countercyclical responsiveness.

A related issue raised by the dissertation studies, in particular Chapter 4, concerns the policy goals underlying TANF. With respect to cash assistance, the primary goal—reflected in the incentives provided to states, such as caseload reduction credits for work activity targets—is to limit participation in cash assistance. By this metric, TANF is quite success-

ful, and the flexible funding structure aids in its achievement. If the purpose of TANF is to provide an economic safety net, however, it is far less successful. Outside of caseload reduction, its most vaunted outcome has been an increase in work among households that previously would have used cash benefits. Not coincidentally, these goals also strongly influenced a generation of poverty research. As stated by Pimpare (2013), "analysts have, even if unwittingly, allowed antiwelfare reformers to frame their research agenda, emphasizing caseloads and work effort at the expense of other indicators (p. 57)." Quantitative studies on the material well-being of vulnerable families post-reform have been surprisingly scarce, and so it is somewhat difficult to judge whether TANF is successful by other metrics.

It is known that welfare-leaving families often still remain in economic distress, even with employment (Lein & Schexnayder, 2007). Further, many households are disconnected from both public supports and employment (Cancian, Han, & Noyes, 2014; Fusaro, 2015). Cash benefits under contemporary TANF are inaccessible to many who might need a temporary salve for economic distress (Edin & Shaefer, 2015). Finally, Chapter 4 indicates that the declining accessibility of cash benefits is associated with increased hardship in vulnerable households. Other research suggests cash benefits receipt reduces the incidence of risky behaviors, such as drug use or participating in the sex trade, among extremely poor individuals (Riley, 2005). Caseload reductions and work activities alone, then, may be inappropriate metrics of success if long-term well-being in low-income families is the desired outcome. Certainly, these may be intermediate indicators of success, but if they expose vulnerable families to harm and don't provide a springboard to greater prosperity, are they truly stand-alone indicators of policy achievement? Perhaps targets other than caseload reduction, such as reductions in the child poverty rate or stability of employment among at-risk families, are more appropriate measures. Re-working the incentive structure of TANF to reward states for advances in these areas might result in renewed policy innovation.

TANF embodies larger trends in American social welfare policy, including the emphasis on services over direct assistance, the use of punitive policy tools, the reliance on markets and market-like institutions, and the devolution of policy design and implementation. There remain elements of the social safety net somewhat untouched by these movements. The Supplemental Nutrition Assistance Program, for instance, provides states some control over implementation details (e.g., setting the length of the recertification period or whether to require fingerprinting for applicants) but is much more uniform nationally compared to TANF. The public health insurance program Medicaid varies across states, particularly in the wake of the Supreme Court decision in *National Federation of Independent Business v. Sebelius*[3] but remains a federal partial match of state expenditures and does not feature work requirements. Recent proposals, however, suggest reforming both SNAP and Medicaid to frameworks modeled on TANF. The dissertation studies identify several potential concerns with respect to such policy designs. First, federalism has many appealing features, but can also reinforce disparities and, in a design such as TANF's, offer perverse incentives, particularly during periods of fiscal stress. Related, the criteria for "success" built into such programs influence not only individual client behavior, but also state behavior. Whether employment and caseload reduction are sufficient and appropriate outcomes is questionable. Finally, the conduct of the dissertation studies identified severe limitations to current data collection procedures which could, in turn, inhibit productive policy learning.

[3]The case considered the legality of key provisions of the Patient Protection and Affordable Care Act. Most notably, it upheld the mandate that individuals obtain health insurance coverage. It also declared measures to nationally expand Medicaid coverage to previously uncovered groups were excessively coercive to the states and unconstitutional. States have therefore expanded eligibility criteria and coverage unevenly.

Implications for Social Work

Practice Implications

The studies in the dissertation serve as a type of needs assessment for guiding social work practice. According to Berrick (2009), "social work practitioners, policy makers, and researchers must continue to follow the effects of PRWORA on low-income children and families and to press for policy changes that move families out of poverty and into opportunity (p. 344)." Social workers have largely not recognized that TANF is now more a funding stream than a cash assistance program, however. The dissertation demonstrates that TANF-as-funding stream reflects and reinforces racial and class inequalities. It therefore falls within the purview of social workers who, according to the *Code of Ethics* of the National Association of Social Workers (2008), are obliged to challenge social injustice, exploitation, and discrimination. TANF is also directly related to the Grand Challenges for Social Work articulated by the American Academy of Social Work & Social Welfare (2017) as issues of particular importance for social work in the 21st century, including reducing extreme economic inequality and promoting equal opportunity. As discussed by Padilla and Fong (2016), addressing these challenges requires engagement with the policy process in addition to the development of improved direct service interventions. The dissertation studies identify a number of needs for social workers addressing the Grand Challenges from a policy perspective.

The dissertation studies suggest social workers, as with many other policy professionals and commentators, have mischaracterized TANF. Introductory social welfare policy texts, for example, describe TANF as "public assistance, which used to be the AFDC program (Popple & Leighninger, 2011, p. 199)" or "monthly cash assistance for low-income families with children under 18 who qualify (Chapin, 2014, p. 353)." Popple and Leighninger (2011) do mention that TANF funds may be used for many purposes, but only in passing and do not consider its implications. From an advocacy perspective, considering

TANF as a funding stream with extensive state discretion provides both opportunities and challenges for social workers. Social workers can serve as sources of information for state decision makers (Jackson-Elmoore, 2005). State government is certainly more accessible to most human services professionals than the federal government, and it is also easier to organize effective coalitions around innovative policy ideas at the subnational level (Sherraden, Slosar, & Sherraden, 2002). Conversely, however, strategies for action require consideration of the characteristics of the individual state—there is no single model for intervention at the state level (Hoefer, 2005). Additionally, TANF as a funding stream is a much more amorphous concept than TANF as a cash assistance program. It may be easier to organize, for example, around the notion of easing restrictions of cash benefits participation than to organize around a fiscal issue such as ensuring TANF resources are well-targeted rather than merely used to plug budget holes. Finally, as discussed in the forthcoming section, advocating with respect to changes in the distribution of TANF resources also creates an ethical dilemma for some social workers.

Ethical Implications of TANF-as-Funding-Stream

The structure of Temporary Assistance for Needy Families places social services organizations and the social workers they employ into a heretofore unrecognized ethical dilemma—they are competing with their own clients for limited resources. As states move away from cash assistance, the now-freed resources are directed toward services (and it has been argued that the U.S. is increasingly moving to a service-based rather than a cash-based safety net (Allard, 2009)). At least some of the programs and agencies supported out of TANF-justified funds employ social workers and, while many undoubtedly provide valuable services to some families, it is ethically problematic if it comes at the expense of material resources for vulnerable families. The ethical challenge is particularly acute for agency administrators who are undoubtedly operating with stretched budgets. They may even be unaware that state grants and contracts received by the agency might

fall under the umbrella of TANF. There is, then, a conflict of interest, as advocacy to improve access to cash benefits threatens monetary support for some agencies. At the very least, this tension provides a reason for social workers to support de-coupling of funding for cash assistance from funding for services.

Conclusion

Temporary Assistance for Needy Families is a funding stream, not a cash assistance program, yet both the public and academic discussions of TANF tend to focus on cash assistance and the rules and requirements for cash assistance receipt. The three studies in this dissertation examined different aspects of TANF as a funding stream and the implications of the decline of traditional "welfare" under TANF. The first and second studies examined state TANF expenditures. Their chief finding is that TANF follows a pattern long evident in state welfare policy implementation; states in which race is a salient aspect of politics devote fewer resources justified under TANF to traditional cash assistance. The first study also indicates state fiscal health is an important aspect of TANF implementation, with states in fiscal distress shifting resources to other areas (though the finding was not duplicated in the second study, which used slightly different methods). The Chapter 3 study examined not only basic assistance, but also correlates of state spending on alternative priorities. In addition to corroborating Chapter 2's finding with regard to racial politics and basic assistance emphasis under TANF, it also finds a connection between racial politics and the use of TANF resources to address out-of-wedlock pregnancy prevention and two-parent family formation. While Chapter 3 failed to duplicate the fiscal health/basic assistance finding, it did find states under fiscal stress are more likely to transfer TANF resources to the Social Services Block Grant. There were few other patterns to state expenditures, however. Finally, Chapter 4 demonstrated that the decline in the accessibility of cash assistance under TANF has increased the risk of material hardship for low-income families, particularly those headed by a single mother

with no other adults present. TANF coverage changes are generally not, though, related to employment in those households.

Welfare reform is often heralded as a success, but the studies contained in this dissertation bring pause to sweeping generalizations. Its initial phases did coincide with, and at least partly contributed to, increases in employment among low-income families. Cash assistance caseloads dropped dramatically. With twenty years of reflection, a period that included the largest economic downturn since the Great Depression, there has been ample opportunity to consider TANF's strengths and challenges. The dissertation studies indicate that TANF as a funding stream continues, as welfare has since its inception in the U.S., to reflect a racialized politics. With state flexibility, the decisions of subnational governments reflect and reinforce existing patterns of racial disparity. Other research suggests spillover effects that even further reinforce racial inequality, such as discrimination in the labor market and inaccessibility of services for already disadvantaged communities, in the transition away from cash benefits. TANF as a funding stream also contains incentives for states to use resources for other purposes even during times of economic stress. Whether, then, it is able to act as a true "safety net" is questionable. That these trends appear to have exposed economically vulnerable families to greater risk of material harm indicates these issues are worthy of further attention from policy analysts, policymakers, social workers, and other interested parties. While a return to an AFDC-style system is both unlikely and undesirable, adjustments to policy could be made to better maximize the strengths of devolved and flexible social policy while minimizing its side effects.

APPENDICES

APPENDIX A

Local Racial Attitudes & State Welfare Policy: Measurement Issues

Previous quantitative studies of racial politics and state welfare policy, beginning with the initial research under Aid to Families with Dependent Children (AFDC) in the 1970s and continuing to the most recent investigations of Temporary Assistance for Needy Families (TANF), generally operationalize racial salience using the demographics of either the state population or the cash assistance caseload (Fellowes & Rowe, 2004; Orr, 1976; Soss et al., 2011, 2001; Tropman & Gordon, 1978). This dissertation, for salience of blacks to welfare politics, approaches measurement differently. As described in Chapters 2 and 3, prevalence of negative stereotypes of blacks among whites within the state is used to incorporate the salience of blacks to state welfare politics. Essentially, the "policy image" associated with welfare tends to be constructed such that clients are perceived as black (Dyck & Hussey, 2008; Gilens, 1999; Hancock, 2004; Neubeck & Cazenave, 2001). If the typical welfare client is perceived as black, then prevailing attitudes among whites with respect to blacks is a plausible measure of racial salience[1]. The only previous study to

[1]Soss et al.'s (2011) Racial Classification Model suggests that racial salience increases as racial/ethnic minorities make up an increasing portion of the target population. The authors further maintain, however, that the depth with which racial stereotypes are held influences the degree to which policy follows a race-based pattern. They empirically operationalize the former through caseload demographics, whereas I am more directly measuring the latter.

incorporate a state-level attitudinal measure was Johnson's (2001) examination of AFDC benefits, indicating that use of such a measure to examine contemporary welfare politics is a potentially fruitful research avenue. There is no widely accepted and easily accessible source of data, however, on subnational white racial attitudes. Surveys such as the General Social Survey (GSS) and American National Elections Studies (ANES) surveys routinely include such measures, but are inappropriate in raw form for producing state estimates.

This Appendix provides technical background on the estimation of an aggregate white racial attitudes measure at the state level for subsequent use in models of state welfare policy. First, I consider the challenges posed by subnational estimation of the prevalence of attitudes and opinions given existing data. Two potential solutions are available—disaggregation of survey data and multi-level regression with post-stratification (MRP). After discussing the strengths and challenges of each approach, I implement the MRP procedure using the 2008 National Annenberg Election Survey (Annenberg Public Policy Center, 2010). I estimate a number of potential predictive models of the probability of a white individual holding extremely negative stereotypes of blacks based on individual characteristics (gender, age, and education), state of residence, and state characteristics (region and a set of state variables).

In general, the demographic, state, and region effects behave as expected—males, older individuals, less educated individuals, and respondents in the regional south are more likely to hold negative views of blacks. The set of state-level predictors, however, present some interesting results that guide model selection. First, two proposed predictors of white racial affect, the shift in vote share from John Kerry in the 2004 and Barack Obama in the 2008 Presidential elections and Democratic vote share in the 2008 Presidential election, are not strong predictors of individual-level affect[2]. Second, the proportion of the state population identifying as black is a strong predictor of stereotyp-

[2]These findings *do not* suggest racial attitudes are unrelated to voting preferences; rather, they indicate that raw vote data is noisy and relationships that may exist are likely masked by other factors.

ing of blacks by whites. This finding suggests that, when modeling state policy in the dissertation, it is not possible to include both target population demographics and white racial attitudes as predictors due to collinearity. Racial context, then, enters the study through the MRP procedure and is not directly included in the policy models in Chapters 2 and 3. Finally, I compare the MRP results to disaggregation estimates. I find that the two procedures produce roughly similar patterns, but the MRP estimates are slightly preferred.

The Problem of Subnational Opinion Estimation

There is no readily available source of data on state-level aggregate racial attitudes. The problem is primarily one of sampling—few social surveys are conducted using appropriate samples at the state level—and is not limited to racial attitudes alone. Surveys conducted by government agencies (e.g., the decennial Census, the Current Population Survey, the American Community Survey) often have massive samples with procedures to ensure samples are representative within each state but do not contain questions measuring racial attitudes. Measures of racial affect are included in routinely administered academic social surveys such as the American National Election Studies (ANES) surveys and the General Social Survey (GSS). Both of those surveys, however, are limited in their utility for producing subnational estimates due to the sampling issue. Each uses a stratified sampling scheme. With weighting to account for variation in the probability of selection, these surveys are nationally representative. Stratification, however, means that samples within a given state are not necessarily representative of that state. Additionally, sample sizes are relatively small. The GSS usually surveys between 1500 and 4500 respondents per year (Roper Center, 2016). The ANES sample size also varies, generally ranging from 1500 to 2500 respondents[3] (American National Election Studies, 2016).

[3]Some years, particularly early in the history of the ANES, have many fewer respondents while others, most notably 2012, include many more. At no point, however, has sample size exceeded 6000 respondents nationally.

Within any given state, then, the subsample could be quite small, particularly in less-populated states. Given both stratified sampling design and small sample size, the most obvious sources for estimates of racial affect are likely to provide misleading subnational estimates, if estimation is possible at all. Some other approach is needed. Two procedures have been previously used to generate state estimates of public attitudes—disaggregation and multi-level regression with post-stratification (MRP).

Disaggregation vs. MRP

Disaggregation is simply the use of survey data to directly produce subnational opinion estimates (i.e., percentages within each state of some binary opinion indicator). Unfortunately, as noted previously, most survey data lacks appropriate sampling procedures for use of this technique. Studies that use disaggregation for subnational estimation, then, often pool several samples into a single harmonized dataset. The multiple samples can be drawn from separate surveys so long as the relevant questions are reasonably comparable. This approach was most notably used by Erikson, Wright, and McIver (1993) in their investigation of the general responsiveness of state governments to public opinion. Elmendorf and Spencer (2014) produced state estimates of aggregate white racial affect by disaggregating a dataset constructed using the 2008 National Annenberg Election Survey and a Cooperative Campaign Analysis Project survey[4]. Other studies have pooled multiple years of data from surveys such as the GSS (Brace, Sims-Butler, & Arceneaux, 2002; Johnson, 2001; Percival, 2009). Importantly for the current inquiry, the only previous study of the relationship between racial attitudes and welfare policy, Johnson (2001), pooled several years of GSS data to produce subnational measures of white racial affect.

The second option for producing subnational estimates using national survey data is multi-level regression with post-stratification (MRP). MRP is based on the assumption that public opinion and attitudes are functions of both individual-level demographic fac-

[4]Elmendorf and Spencer (2014) subsequently use MRP to produce opinion estimates in counties.

tors and group-level geographic factors. The procedure begins with estimation of a multilevel model[5], using national survey data, of the opinion/attitude of interest. Individuals are nested within geographic units, such as states or counties. Individual-level predictors are coded categorically (e.g., rather than numerical age, age range is indicated with a dummy variable), and group-level predictors may also be included to improve the predictive abilities of the model (Gelman & Hill, 2007). Census data is used to produce a count of each potential demographic-geographic "type" of individual (e.g., white males ages 18 to 25 with a bachelor's degree residing in Michigan). The probability of each type holding the given opinion is estimated using predictions from the model. Predictions are then weighted by the Census counts, with the overall proportion holding a given opinion in each state calculated from the weighted predictions. While the technique has existed for some time, increases in computing power and technical sophistication of researchers have led to a rapid growth in use of MRP. Topics examined include the relationship between state opinion and LGBT rights policy (Lax & Phillips, 2009a), income inequality and social trust (Fairbrother & Martin, 2013), and attitudes toward health care reform (Gelman, Lee, & Ghitza, 2010). It has even been used to examine opinion in still smaller geographic units, such as counties or electoral districts (Elmendorf & Spencer, 2014; Grimmer, 2013; Tausanovitch & Warshaw, 2013).

Both disaggregation and MRP have strengths and shortcomings. The most obvious advantage of disaggregation is its ease of implementation when sufficient data are available. Disaggregation is little more than a large cross-tabulation of a dichotomous variable by geographic unit, a simple procedure with even the most basic statistical software. Its conceptual simplicity is a further positive, particularly in communication with general audiences. It requires no knowledge of statistical methods to understand. As noted by Elmendorf and Spencer (2014), lay audiences are also likely more trusting of disaggregation-based estimation than model-based estimation. Disaggregation, however,

[5]Multilevel models are also called, depending on academic discipline, random effects models, hierarchical models, error components models, or nested models.

requires extremely large representative samples to produce valid subnational estimates, particularly in small units (e.g., a small-population state). Pooling of data sets, whether from multiple surveys or multiple years of the same survey, aids in disaggregation, but raises its own issues. Harmonizing different survey questions to treat them identically, for example, leads to validity and reliability concerns. Pooling multiple years of surveys like the GSS or ANES ignores their cluster-sampled designs; the sub-sample in a state may be useful for producing national estimates, but is not necessarily representative of the state as a whole. Even with pooling, if the sampling frame does not change or if the same procedure is repeatedly used to select sampling units, this issue is magnified rather than alleviated. Pooling several years of data also assumes that the attitude or opinion in question is relatively stable. Aggregate opinion and attitudes do periodically undergo rapid shifts, as in the case of opinion regarding same-sex marriage (Baunach, 2012)[6].

The major strength of MRP is its reduced reliance on sample size compared to disaggregation. It allows estimation of subnational opinion prevalence in samples much smaller than needed for disaggregation. When large samples are available, MRP generally performs as well as disaggregation in large units and outperforms it in small units (Lax & Phillips, 2009b). It can even produce estimates for units in which data are not available (e.g., if survey data are only available for the continental United States, the model can still generate estimates for Alaska and Hawaii). Compared to disaggregation, however, MRP requires a high degree of technical and subject-matter expertise. A body of recent methodological scholarship examines the performance of MRP under various conditions. In particular, Buttice and Highton (2013) and unpublished work by Stollwerk (2013) suggest that MRP may not adequately alleviate the cluster-sample and sample size issues plaguing disaggregation. Common surveys such as the GSS and ANES, then, may still not be appropriate for use with MRP. The construction and operationalization of the opinion variable is also critical, particularly if using multiple data sources that must be

[6]The MRP procedures implemented in this dissertation are from a single year, still requiring the assumption of semi-stable attitudes.

harmonized. W. D. Berry, Ringquist, Fording, and Hanson (2015), for example, find substantial problems with the validity of a general state "policy mood" measure constructed by Enns and Koch (2013). The variable, which draws from 73 separate questions in surveys from 1956 to 2010, many of which conflict in wording across the years, may simply draw from too many disparate sources to be meaningful. While it is possible to produce MRP estimates using such data, the method does nothing to correct for problems in the source and handling of the data used in model construction. With sufficient sample size and reasonable source data, however, the strengths of MRP make it an intriguing option for estimating subnational opinion.

Note that both MRP and disaggregation produce *estimates* of subnational opinion. In the abstract, MRP is neither better nor worse than disaggregation (assuming the disaggregated sample is sufficiently large and opinion is stable over time if pooling multiple years of data). Both MRP and disaggregation rely on assumptions, with disaggregation making assumptions about the representativeness of the survey sample and MRP about the representativeness of the model. Both are prone to error resulting from the uncertainty around these assumptions. The following section provides detail on the estimation of MRP models of aggregate state-level white racial affect. Procedures for implementing MRP are drawn from Kastellec et al. (2010) and Gelman and Hill (2007). Models were estimated using the *lme4* package in *R*.

MRP Implementation

Models

The MRP process begins by estimating a multilevel model of an individual-level opinion. Predictor variables at the individual level are demographic factors, such as age and gender. To properly implement the final post-stratification step, the individual-level independent variables must be coded categorically and be available in Census data. This

requirement excludes some variables, such as party identification, that might be predictive at the individual level, though many of these are also themselves strongly correlated with demographics (that is, the demographic covariates likely pick up a great deal of the variation that would otherwise be explained by these missing factors). The opinion dependent variable is expressed as a binary indicator. Individual respondents are stratified by the geographic unit of interest, in this case the state, using a discrete choice random intercept model[7] (e.g., a random intercept logit model).

For the MRP models in this study, the outcome of interest is racial affect—an individual's attitudes toward a different racial group (here, whites' attitudes toward blacks). This construct is expressed as a binary variable coded 1 if the individual holds particularly negative stereotypes of blacks (I discuss the specific construction of this variable under "Individual Data"). At the individual level, the demographic variables are gender, age, and education, all expressed categorically. Race/ethnicity would generally also be included in such a model, but since the population of interest is whites the data used in estimation are already restricted in this regard. Given that the demographic variables are categorical, they can themselves be expressed as random effects when there are more than two groups (Kastellec et al., 2010). Finally, the predictive power of the model can be improved by explicitly modeling factors that lead to group-level variation. In this case, then, a vector of state variables can be included. Formally, the population model for individual i in state s is expressed as:

$$p(y_i = 1) = logit^{-1}(\beta^0 + \beta^{gender}_{j[i]} + \alpha^{age}_{a[i]} + \alpha^{educ}_{e[i]} + \alpha^{state}_{s[i]})$$

The coefficients on age and education are modeled as "random effects" drawn from a normal distribution with mean zero.

$$\alpha^{age}_a \sim N(0, \sigma^2_{age}), \text{ for } a = 1, ..., 6$$
$$\alpha^{educ}_e \sim N(0, \sigma^2_{educ}), \text{ for } e = 1, ..., 4$$

[7] Random slope models, which allow the coefficients on the individual-level variables to vary by geographic unit, can also be estimated.

State effects are modeled as a function of geographic region (defined under "State Data") and a vector of state predictors X. As described under "State Data," I experiment with several group-level variables to develop the best-fitting model.

$\alpha_s^{state} \sim N(\alpha_{r[s]}^{region} + \mathbf{X}_s)$, for $s = 1, ..., 50$

Finally, the region effect is drawn from a normal distribution with mean 0.

$\alpha_r^{region} \sim N(0, \sigma_{region}^2)$, for $r = 1, ..., 9$

Individual Data

The next step of MRP requires locating an appropriate data source and constructing a binary variable indicating racial affect. Racial attitudes measures are routinely included in the GSS and ANES. As noted previously, even with MRP surveys such as these may produce unreliable estimates (though researchers have used these sources for MRP purposes (Fairbrother & Martin, 2013)). Fortunately, there is a reasonable alternative data source. Prior to the 2008 presidential election, due to the salience of race with Barack Obama's candidacy, the National Annenberg Election Survey (NAES) included a six question battery of racial stereotyping measures (Annenberg Public Policy Center, 2010). Each question is a scale scored 0 to 100, with 100 indicating perfect agreement with a statement and 0 perfect disagreement. White and Latino respondents are each asked, first, about the degree to which they feel their own racial group is hardworking, intelligent, and trustworthy; the next three questions ask whether the respondent agrees with these statements when applied to blacks[8]. The NAES has a relatively simple sampling scheme. There is some oversampling of blacks and Latinos but otherwise the recruitment process is fairly random. While large sample sizes are not necessary for MRP, they are helpful. The NAES has a very large sample, approximately 20,000 respondents to the ques-

[8]For black respondents, whites are the reference group for the outgroup attitudes questions.

tions used here[9]. Finally, the racial attitudes questions were administered by web survey, which elicits more honest responses to sensitive topics than other modes of administration (Kreuter, Presser, & Tourangeau, 2008).

Despite its strengths, the NAES has two important limitations. First, it only contains questions (asked of white and Latino respondents) regarding affect with respect to blacks. The analysis is therefore constrained to examining only attitudes toward blacks, not other groups—a concern given the growing proportion of the national population composed of Latinos. Attitudes toward Latinos among non-Hispanic whites is more weakly related to welfare opinion than attitudes toward blacks, however, and there is a less distinct relationship between proportion of the caseload or population identifying as Latino and welfare policy design compared to the proportion identifying as black (Fellowes & Rowe, 2004; Fox, 2004; Hussey & Pearson-Merkowitz, 2012; Soss et al., 2001). Second, the racial attitudes questions were only asked in the 2008 online module. The variable produced by MRP, however, will be used as a predictor for a range of years from 1998 to 2013.

It is plausible that there is temporal variation in aggregate racial attitudes, being overall more negative at some times and neutral or more positive at others (e.g., response to racial considerations among whites might be different in the immediate aftermath of the Black Lives Matter protests compared to other times). In the context of welfare policy, H. E. Brown (2013) proposes that timing explains some of the variation observed in state welfare policy—some precipitating political event, such as a controversy over display of Confederate symbols, activates negative racial attitudes that then influence welfare policy design. While worth considering in interpretation and noting as a shortcoming of the present study, using data from a single year as a measure of the typical prevailing white racial affect in a state is reasonable (that is, in any given year, there is likely to be some deviation from the 2008 value, but the 2008 value remains an acceptable approx-

[9]This sample size refers to the online sample. The NAES also has a telephone survey with an even larger sample, approximately 60,000 respondents. It does not, however, include the racial attitudes questions. The sample size used in model estimation is smaller because it is restricted to white respondents only.

imation of aggregate tendencies). White racial attitudes nationally have generally been stable since the late twentieth century (Hutchings, 2009; Tuch & Hughes, 2011). There is some evidence of an uptick in "old-fashioned racism" during the Obama presidency (Tesler, 2012)[10], but that would then make the NAES-based estimates an undercount of whites holding prejudicial views of blacks. In sum, then, while a limitation, only having data for 2008 is not sufficient to dismiss the use of the NAES dataset for subnational estimation across a range of years, and its properties relative to other datasets containing a similar battery of questions overpower the noise induced by using a 2008 measure in models of other years. After restricting to white respondents only, final sample size is 15,372 observations. Sample descriptive statistics are presented in Table A.1.

State Data

Individuals are nested within states for the MRP procedure, implemented through inclusion of state random effects. The predictive performance of the model can be enhanced, however, by including additional group-level predictors (Gelman & Hill, 2007). In specifying the MRP predictive models, I experimented with several state-level independent variables. Three variables, proportion of the state population identifying as black, proportion of the working age population (age 25 and older) with a bachelor's degree, and an index measuring racial segregation in the population are included to reflect existing research on the environmental correlates of white racial attitudes. Two others, shift in state vote share from John Kerry to Barack Obama and 2008 Democratic vote share, are also tested as proxy measures of group-level racial affect. Finally, also at the state level, geographic region is included as a random effect. The region variable is based on categories used by the Bureau of Economic Analysis (2016) dividing the nation into eight geographic areas: New England, Mideast, Great Lakes, Plains, Southeast, Southwest, Rocky Mountain, and Far West. I slightly modify this scheme by also including a

[10]Note, however, that Goldman (2012) suggests the Obama presidency has actually *reduced* racial prejudice among whites by providing a high-profile positive image of blacks.

Table A.1: Individual sample descriptive statistics for MRP predictive model.

Variable	**Proportion(n)**
Gender	
Female	0.554 (8510)
Male	0.446 (6862)
Age	
18-25	0.046 (711)
26-35	0.124 (1911)
36-45	0.197 (3023)
46-55	0.242 (3715)
56-65	0.231 (3543)
66+	0.161(2469)
Education	
Less than high school	0.042 (652)
High school	0.225 (3453)
Some college/2 yr. degree	0.332 (5109)
Bachelor's+	0.401 (6158)

Values are unweighted.
Sample restricted to white respondents only.
Source: 2008 National Annenberg Election Survey
n=15,372

ninth region containing Alaska and Hawaii, both of which are otherwise categorized in the Far West.

One theory of environmental determinants of white racial attitudes, the racial threat hypothesis, posits that greater proportions of a racial minority group in an area produces negative racial affect among whites. Under this framework, individuals in the racial majority increasingly perceive members of the outgroup as a threat as they make up a larger proportion of the local population[11][12] (Avery & Fine, 2012; Giles & Buckner, 1993; Key, 1949). Including racial context in the MRP predictive models is straightforward—simply incorporate local racial demographics as a covariate. Note that racial context-based theories of racial attitudes suggest that white racial attitudes and traditional measures of racial salience in welfare scholarship, such as population or caseload racial demographics, are closely related. Racial context, then, still enters the analyses in Chapters 2 and 3 of this dissertation, but it does so through the MRP predictive model[13].

A second possible group-level predictor is aggregate state educational attainment. Whites in higher socioeconomic status (SES) areas tend to have a lower degree of negative racial affect (Branton & Jones, 2005; Oliver & Mendelberg, 2000) and prevailing educational attainment is a reasonable indicator of aggregate SES. While individual-level educational attainment will be accounted for in the estimated models, at the state level it follows that the population as a whole is less likely to hold negative racial views as overall educational attainment increases. Aggregate educational attainment is operationalized using proportion of the state population holding a bachelor's degree or higher (age 25 and over) calculated from the 2006-2008 American Community Survey via *American*

[11]It is interesting to note that the racial threat hypothesis directly contradicts a separate theory of interracial relations, the contact hypothesis, which holds that increased interaction between majority and minority individuals will counter previously-held stereotypes.

[12]There is evidence that the racial threat effect is conditioned on socioeconomic environment, with racial animus emerging more readily in low socioeconomic status communities with a large minority presence and support for racial issues increasing in high socioeconomic status but diverse communities (Branton & Jones, 2005; Oliver & Mendelberg, 2000).

[13]Inclusion of *both* white racial attitudes and demographic variables in models of state policy is problematic because of the relationship between the two constructs. This limitation is true, if racial context theories of prejudice are correct, even if racial demographics are left out of the MRP model.

FactFinder (United States Census Bureau, 2016b). Despite its emergence in multiple studies, the relationship between educational attainment, racial attitudes, and policy opinion is nuanced and not strictly linear. More educated individuals are more likely to connect political attitudes to policy preferences. Those with higher educational attainment *and* more negative racial attitudes, then, are actually more likely to oppose welfare than other individuals (Federico, 2004). While important for understanding the dynamics of racial attitudes at the individual level, for the purpose of building models to estimate a state-level variable the interest is primarily in aggregate trends. Simply using an indicator of educational attainment, in this case proportion of the working-age population with a bachelor's degree, is sufficient.

A dissimilarity index operationalizes the degree of black segregation in the state. Segregation might be a predictor of white racial attitudes through at least two mechanisms. First, segregation could be a product of white racial attitudes, with more racially antagonistic whites less likely to live near blacks (and possibly using informal mechanisms to keep blacks from residing in communities perceived to be "white neighborhoods"). Second, segregation could also operationalize the contact hypothesis, the notion that frequent interactions between racial groups will counter negative stereotypes. In relatively integrated areas, frequent contact between whites and blacks is more likely. While these two possibilities each have a different causal direction—one is affected by racial attitudes, the other affects racial attitudes—either suggests a measure of segregation at the state level should be related to white racial attitudes. The dissimilarity index used here is a measure of the distribution of two groups, in this case whites and blacks, in a geographic area. It is coded 0 to 100, with zero indicating perfect integration—no geographic differences in the distribution of whites and blacks—and 100 indicating perfect segregation of blacks and whites; I re-scale this variable to the $[0,1]$ interval for better comparability with the other state-level variables. The index is produced using data from the American Community Survey (2005 to 2009) by the University of Michigan Population Studies

Center (2016).

Another candidate variable, the shift in state vote share from John Kerry in the 2004 to Barack Obama in the 2008 presidential elections, could serve as a proxy for racial attitudes. Analysis of American National Election Studies data indicates that whites holding more prejudicial racial views were less likely to vote for Obama, a pattern not found for recent previous Democratic presidential candidates (Hutchings, 2009; Piston, 2010). Similar evidence was found using relatively subtle measures of negative racial affect, such as attitude toward affirmative action, list experiments embedded in surveys, and Implicit Association Test results (Greenwald, Smith, Sriram, Bar-Anan, & Nosek, 2009; Schaffner, 2011). The relationship between support for Obama and racial attitudes among whites has even been demonstrated using exit poll data (Highton, 2011). Finally, given other relevant conditions, such as the state of the economy and approval of the incumbent party, some observers suggest that, absent racial animus, Obama would have been elected in a landslide rather than in a relatively close popular vote (Lewis-Beck, Tien, & Nadeau, 2010). Even though Barack Obama outperformed John Kerry in the vast majority of states, negative racial affect among whites appears central to the ultimate results of the 2008 presidential election[14]. It therefore follows that states in which negative views of blacks are more common among whites would have smaller shifts to Obama, if any, while states where such views are less prevalent would have larger shifts to Obama. This approach is used by Ansolabehere, Persily, and Steward (2010) in considering the implications of changes to the implementation of the Voting Rights Act. Finally, Democratic vote share in the 2008 presidential race is considered as an alternative electoral variable. Descriptive statistics for the state predictors are shown in Table A.2.

[14]See Mas and Moretti (2009) for an alternative view, however. In that study, which used General Social Survey data disaggregated by state, no relationship was found between aggregate white racial affect and Obama vote share. Disaggregation as a tool for estimating subnational opinion, however, is subject to a host of limitations discussed elsewhere in this Appendix.

Table A.2: Descriptive statistics, state variables used in predictive models of individual-level racial attitudes among whites.

Variable	Mean (SD)
Population proportion black	0.105 (0.095)
Population proportion w/ bachelor's (25-65)	0.267 (0.047)
2004-2008 Democratic vote shift	0.048 (0.037)
2008 Democratic vote share	0.505 (0.095)
Black segregation index	0.611 (0.083)

n=50

Model Selection

A number of models were fit, then compared using Akaike Information Criterion (AIC) statistics and likelihood ratio tests. AIC statistics examine the improvement, if any, gained by using a different model specification, with improvement represented as the difference in the likelihood while accounting for differences in degrees of freedom between specifications (Cameron & Trivedi, 2005). Smaller AIC values indicate the "better" fitting model, and a general rule-of-thumb suggests that a difference of 2 between the AIC values represents a meaningful difference in the performance of the models. An advantage of AIC is that it allows comparison of non-nested models; a disadvantage, however, is that it is not possible to formally statistically test AIC values against one another. Likelihood ratio tests, in contrast, do not allow comparison of non-nested models but do allow for statistical tests.

All models included the full suite of individual-level predictors (gender, age, and education), the state random effect, and the region random effect. The primary model selection task was identification of the strongest package of group (state)-level predictors. Coefficients, AIC values, and likelihood ratio tests for candidate model specifications us-

ing these variables are shown in Table A.3 and Table A.4. Table A.3 presents the stepwise exclusion of each of the variables eventually kept in the final model—black population proportion, proportion of the working-age population with a bachelor's degree or greater, and the segregation index. As judged by AIC, the preferred model (Model 1) includes all three variables; each variable is also statistically significant at $\alpha = 0.10$ when all three are present. Interestingly, the significance of group educational attainment and segregation are influenced by the inclusion or exclusion of the population proportion identifying as black.

Table A.4 presents the primary candidate model (Model 1) compared to models containing the Obama-Kerry vote shift (Model 4) and 2008 Democratic vote share (Model 5) variables, respectively. Neither electoral variable achieves statistical significance, and the likelihood ratio tests and AIC statistics indicate that inclusion of either provides no improvement in model fit compared to Model 1. Given the extensive research indicating a link between support for Obama and white racial affect (Greenwald et al., 2009; Highton, 2011; Hutchings, 2009; Lewis-Beck et al., 2010; Piston, 2010; Schaffner, 2011), these results are somewhat surprising. It is possible that a relationship does exist but is not detectable in the present study. Both election-based variables are appropriately signed, they merely fail to reach statistical significance. Regardless, for the purpose of producing state-level estimates, there are no gains from inclusion of either electoral variable in the predictive model. Model 1 is therefore used for prediction and post-stratification.

MRP Estimates

Estimates of the percentage of whites holding negative views of blacks, as defined previously, within each state are shown in Table A.5. For comparison, both the MRP and disaggregation estimates are presented. The MRP estimates are weighted using year 2000 U.S. Census data while the disaggregation estimates use the 2008 National Annenberg Election Survey probability weights. As expected, there are differences between

Table A.3: Parameters of potential multilevel models for predicting state-level prevalence of negative stereotypes of blacks among whites.

	In Top Quartile Negative Affect Measure			
	Fixed Component			
	(1)	(2)	(3)	(4)
Female	−0.321***	−0.323***	−0.321***	−0.321***
	(0.039)	(0.039)	(0.039)	(0.039)
Prop. black	2.543***		2.391***	2.470***
	(0.431)		(0.497)	(0.461)
Prop. bachelor's	−1.707**	−0.684		−1.622**
	(0.712)	(0.854)		(0.727)
Segregation	0.787*	0.489	0.796*	
	(0.402)	(0.555)	(0.459)	
Constant	−1.198***	−1.078**	−1.670***	−0.723**
	(0.384)	(0.489)	(0.366)	(0.295)
	Random Component			
	Variance			
State	0.010	0.016	0.011	0.011
Region	0.008	0.064	0.018	0.013
Age	0.029	0.029	0.029	0.029
Education	0.150	0.153	0.153	0.151
Observations	15,372	15,372	15,372	15,372
Log Likelihood	−8,174.359	−8,187.699	−8,176.956	−8,176.116
LR χ^2 v. Model 1		26.680***	5.194**	3.514*
Akaike Inf. Crit.	16,366.720	16,391.400	16,369.910	16,368.230

Fixed components are raw multilevel logit coefficients. *p<0.1; **p<0.05; ***p<0.01
Individual-level data drawn from 2008 National Annenberg Election Survey online sample. Analyses conducted without included sample probability weights.

Table A.4: Parameters of potential multilevel models for predicting state-level prevalence of negative stereotypes of blacks among whites.

	In Top Quartile Negative Affect Measure		
	Fixed Component		
	(1)	(4)	(5)
Female	−0.321***	−0.321***	−0.321***
	(0.039)	(0.039)	(0.039)
Prop.black	2.543***	2.540***	2.583***
	(0.431)	(0.406)	(0.423)
Prop. bachelor's	−1.707**	−1.478**	−1.240
	(0.712)	(0.720)	(0.890)
Segregation	0.787*	0.741*	0.928**
	(0.402)	(0.391)	(0.425)
04-08 Dem. vote shift		−1.362	
		(1.014)	
08 Dem. vote share			−0.494
			(0.572)
Constant	−1.198***	−1.165***	−1.160***
	(0.384)	(0.371)	(0.376)
	Random Component		
	Variance		
State	0.010	0.009	0.009
Region	0.008	0.006	0.006
Age	0.029	0.029	0.029
Education	0.150	0.150	0.150
Observations	15,372	15,372	15,372
Log Likelihood	−8,174.359	−8,173.461	−8,173.994
LR χ^2		1.800	0.729
Akaike Inf. Crit.	16,366.720	16,366.920	16,367.990

Fixed components are raw multilevel logit coefficients. *p<0.1; **p<0.05; ***p<0.01
Individual-level data drawn from 2008 National Annenberg Election Survey online sample.
Analyses conducted without included sample probability weights.

estimates produced with the two methods, particularly in small-population states (e.g., Alaska, Montana, Wyoming). For many states, however, the estimates produced using the two methods are very similar. There is no way to "prove" that one approach is more accurate than the other, and the comparatively large sample size of the NAES makes it more appropriate for straightforward disaggregation than surveys such as the ANES or GSS. Large sample size, though, can also improve the performance of MRP. The MRP estimates are preferred and are the values used as independent variables in the analyses presented in Chapters 2 and 3 for two reasons. First, MRP's strength in producing more accurate estimates in small-population units is appealing. Second, the ability to bring racial context into analyses via the predictive model allows incorporation of the de facto standard measure of racial salience in welfare policy studies. Using the MRP estimates, then, not only has possible empirical advantages, it also makes these two dissertation chapters the first studies since Johnson's (2001) investigation of AFDC benefits to empirically include racial context, racial attitudes, and their relationship to one another in analysis of state welfare policy. It provides a valuable update to an under-addressed aspect of state welfare politics research.

Comparison with Alternative Measures

Prevalence of negative racial views among whites based on the MRP estimates is generally highest in the south, weaker in the midwest, and weakest in the west and northeast. The measure therefore has a high degree of face validity. A further test of its properties is its relationship to other measures of racial salience in state politics. Table A.6 shows the correlation of the MRP estimates of negative stereotypes of blacks among whites with other possible measures. These alternatives include disaggregated estimates of negative views of blacks among whites using the 2008 NAES, a measure created by Brace et al. (2002) using pooled General Social Survey data from 1974 to 1998 disaggregated by state, Elmendorf and Spencer's (2014) measure using pooled NAES and Cooperative Campaign

Table A.5: MRP & disaggregation estimates of prevalence of extremely negative stereotypes of blacks among whites by state.

State	*MRP %*	*Disag. %*	*State*	*MRP %*	*Disag. %*
AL	38.68	41.52	MT	21.20	35.90
AK	20.63	5.39	NE	27.23	24.54
AZ	21.55	21.91	NV	23.75	17.89
AR	34.07	35.98	NH	19.38	24.56
CA	21.41	22.31	NJ	28.42	30.29
CO	18.26	12.99	NM	20.71	21.41
CT	23.83	22.63	NY	21.12	30.07
DE	32.96	11.24	NC	30.38	27.98
FL	32.07	29.25	ND	24.95	27.37
GA	34.77	34.13	OH	30.60	31.50
HI	18.95	9.52	OK	27.94	42.36
ID	20.11	17.20	OR	20.23	18.55
IL	29.50	34.58	PA	30.87	35.25
IN	28.91	32.14	RI	23.98	31.25
IA	27.93	19.92	SC	35.97	44.56
KS	25.17	22.57	SD	25.99	36.20
KY	29.63	31.81	TN	33.69	30.11
LA	42.96	54.14	TX	27.68	26.84
ME	22.32	21.09	UT	18.61	14.30
MD	30.85	30.37	VT	19.37	24.09
MA	21.86	31.89	VA	26.65	36.70
MI	29.36	23.63	WA	18.05	20.12
MN	26.14	24.54	WV	27.82	23.83
MS	43.79	48.22	WI	29.40	34.06
MO	31.41	27.99	WY	22.00	11.69

Calculations from 2008 National Annenberg Election Survey.
MRP estimates weighted with year 2000 U.S. Census data.
Disaggregation estimates produced with NAES survey weights.

Analysis Project data disaggregated by state, the percentage of the state cash assistance caseload identifying as black in 1998 (Administration for Children and Families, 2015), the percentage of the state cash assistance caseload identifying as black in 2010 (Administration for Children and Families, 2015), and the proportion of the state population identifying as black in 2010 (United States Census Bureau, 2016a). With the exception of the Brace et al. (2002) measure, the MRP variable correlates highly, though not perfectly, with all other measures. It also produces a rank ordering fairly close to Highton (2011), who estimated prejudice among whites in the states using disaggregated data from the Pew Research Center Values Study.

Table A.6: Correlation of MRP estimates of prevalence of white stereotyping of blacks with other indicators of salience of race to state welfare politics.

	MRP	Disag.	Brace	Elmendorf	TANF % black (1998)	TANF % black (2010)	Pop. % black (2010)
MRP	1.000						
Disaggregation	0.715	1.000					
Brace et. al	-0.517	-0.436	1.000				
Elmendorf	0.861	0.655	-0.480	1.000			
TANF % (1998)	0.858	0.593	-0.337	0.712	1.000		
TANF % (2010)	0.856	0.589	-0.306	0.701	0.987	1.000	
Pop. % (2010)	0.859	0.594	-0.288	0.708	0.920	0.930	1.000

MRP estimates calculated from 2008 National Annenberg Election Survey data using multi-level regression and post-stratification.
Disaggregation estimates calculated from 2008 National Annenberg Election Survey data using included sampling weights.
Other attitudinal measures from Brace et al. (2002) and Elmendorf and Spencer (2014).
TANF and population variables are percentages of the cash assistance caseload and the state population identifying as black, respectively.

APPENDIX B

Supplementary Information & Analyses for Chapter 2

Varying Denominator Effort-to-Need Models

The models in Table B.1 are identical to those presented in Chapter 2 analyzing the relationship between state characteristics and basic assistance spending expressed as fixed denominator effort-to-need. Here, effort-to-need is calculated with a varying denominator. Instead of an average of families in poverty from 1998-2013, the denominator in the outcome variable here is the estimated count of families in poverty in each state-year based on Current Population Survey data[1]. Though point estimates differ, inferences are largely identical. The major exception is fiscal stress, which was statistically significant and negatively signed in the models presented in Chapter 2 but is not significant here.

Potential Confounders

There are two major factors which could be seen as confounding the key results in Chapter 2. Several of the main variables—e.g., white racial attitudes, government ideology—have values that cluster in the American south. The white racial attitudes/basic

[1] The count for any given state-year is actually the average of the estimated count at time *t* and time *t-1* to address small-sample problems in some states.

Table B.1: Basic assistance effort-to-need growth curve model results with time-varying family poverty denominator.

	Model 1	Model 2	Model 3
Fixed component			
	b/se	b/se	b/se
Time varying			
Years	-0.079***	-0.080***	-0.080***
	(0.008)	(0.009)	(0.009)
Hispanic caseload %	0.010	0.010	0.010
	(0.006)	(0.006)	(0.006)
Gov't liberalism	0.022*	0.022*	0.023*
	(0.011)	(0.011)	(0.011)
Cit. liberalism	-0.018	-0.019	-0.018
	(0.016)	(0.016)	(0.016)
Fiscal stress	-0.007	-0.007	-0.007
	(0.007)	(0.007)	(0.007)
Unemployment	0.011	0.012	0.011
	(0.009)	(0.009)	(0.009)
Unmarried births	-0.006	-0.005	-0.006
	(0.010)	(0.011)	(0.010)
Time invariant			
White stereotyping of blacks	-0.051**	-0.047*	-0.050**
	(0.019)	(0.020)	(0.019)
Hispanic caseload % mean	-0.014	-0.013	-0.013
	(0.009)	(0.009)	(0.009)
Gov't liberalism mean	0.029	0.029	0.028
	(0.048)	(0.048)	(0.049)
Citizen liberalism mean	0.312***	0.313***	0.310***
	(0.062)	(0.062)	(0.061)
Fiscal stress mean	0.782	0.786	0.751
	(1.303)	(1.303)	(1.314)
Unemployment rate mean	-0.010	-0.010	-0.010
	(0.091)	(0.091)	(0.091)
Unmarried births mean	0.000	-0.001	-0.000
	(0.018)	(0.018)	(0.018)
Interaction terms			
Years*attitudes		-0.001	
		(0.001)	
Gov't liberalism* attitudes			-0.001
			(0.002)
Random component			
Variance(Years)	0.001	0.001	0.001
	(0.0003)	(0.0002)	(0.0003)
Variance(Cons.)	0.240	0.240	0.238
	(0.064)	(0.064)	(0.064)
Covariance(Years,Cons)	-0.005	-0.005	-0.005
	(0.003)	(0.003)	(0.003)
AR(1) Residual			
ρ	0.405	0.406	0.407
	(0.097)	(0.097)	(0.097)
Variance	0.084	0.084	0.084
	(0.013)	(0.013)	(0.013)
Log likelihood	-183.360	-183.028	-183.184
BIC	500.363	506.381	506.693

N=798 (50 states in 16 years. Two observations treated as missing.)
Cluster robust standard errors in parentheses.
Dependent variable log transformed.
$+p < 0.01, *p < 0.05 **p < 0.01 ***p < 0.001$

assistance finding could, then, simply be a product of geography. Second, political culture differs across the states and is closely related to variation in state policy (Lowery & Sigelman, 1982; Morgan & Watson, 1991). Mead (2004) considers political culture central to the implementation of welfare reform in the states. There could be covariance in the key independent variables and TANF basic assistance expenditures driven by a simultaneous relationship with political culture. I revisit the basic assistance models, with no interactions, for both the fixed denominator effort-to-need outcome variable and the percentage outcome variable. In Table B.2 I include an indicator for south, while in Table B.3 I include two measures of political culture. The first variable operationalizes Elazar's (1966) original typology. The three categories of culture are moralistic, in which government focuses on the public good, individualistic, in which citizens are focused on their own concerns, and traditionalistic, in which government focuses on the power of elites and elite interests. The second pair of political culture models uses a revised version of this typology (Morgan & Watson, 1991). Note that the sample is smaller for the political culture analyses than for either the south models or the models in Chapter 2 proper; Alaska and Hawaii were not classified in either the original or updated scheme.

Results from these alternative models generally support the conclusions from Chapter 2, with one notable exception. In the effort-to-need model including the south indicator compared to its Chapter 2 counterpart, the white stereotyping of blacks variable loses statistical significance while the south indicator is significant at $\alpha = 0.001$. The percentage model, though, presents exactly the opposite pattern—the south isn't statistically significant while the white attitudes variable is significant at $\alpha = 0.001$. It is likely that these two variables are so closely related (geographic region was used in the construction of the MRP estimates of white attitudes toward blacks) that it is impossible for the models to differentiate between them. Prevalence of stereotyping of blacks by whites remains statistically significant at $\alpha = 0.10$ or less in each of the political culture models. The results from Chapter 2, then, are generally durable to these potential confounding influ-

ences, but the close relationship between white stereotyping of blacks and the American south does make it difficult to peel apart geographic effects from the effects of white racial attitudes.

Table B.2: Basic assistance growth curve model results with South included as covariate.

	Effort-to-Need	Percent
Fixed component		
	b/se	b/se
Time varying		
Years	-0.065***	-5.180***
	(0.009)	(0.435)
Years^2		0.182***
		(0.022)
Hispanic caseload %	0.006	-0.042
	(0.007)	(0.175)
Gov't liberalism	0.018+	0.177
	(0.010)	(0.282)
Cit. liberalism	-0.014	0.058
	(0.014)	(0.410)
Fiscal stress	-0.018*	-0.501***
	(0.007)	(0.124)
Unemployment rate	0.045***	0.750***
	(0.008)	(0.211)
Unmarried births	-0.009	0.686**
	(0.010)	(0.256)
Poverty rate		0.295
		(0.161)
Time invariant		
White stereotyping of blacks	-0.027	-1.230***
	(0.019)	(0.257)
Hispanic caseload % (state mean)	-0.009	-0.057
	(0.009)	(0.202)
Gov't liberalism (state mean)	0.034	0.731
	(0.043)	(0.760)
Cit. liberalism (state mean)	0.279***	0.481
	(0.053)	(1.300)
Fiscal stress (state mean)	0.960	16.035
	(1.237)	(18.834)
Unemployment (state mean)	-0.047	-1.659
	(0.086)	(1.201)
Poverty (state mean)		-0.329+
		(0.574)
Unmarried births (state mean)	0.005	0.137
	(0.019)	(0.450)
South	-0.591**	-0.509
	(0.180)	(3.043)
Random component		
Variance(Years)	0.001	0.274
	(0.0003)	(0.331)
Variance(Constant)	0.220	16.539
	(0.062)	(30.775)
Covariance(Years, cons)	-0.005	-0.243
	(0.003)	(2.547)
AR(1) Residual		
ρ	0.325	0.699
	(0.094)	(0.094)
Variance	0.71	84.834
	(0.013)	(26.743)
Log likelihood	-147.931	-2679.753
BIC	436.186	5519.877

N=798 (50 states in 16 years. Two observations treated as missing.)
Cluster robust standard errors in parentheses.
Effort-to-need dependent variable log transformed.
$+p < 0.01, *p < 0.05 **p < 0.01 ***p < 0.001$

Table B.3: Basic assistance growth curve model results with state political culture included as a covariate.

	Elazar		*Morgan et. al*	
	Effort-to-need	Percent	Effort-to-need	Percent
Fixed component				
Time varying				
	b/se	b/se	b/se	b/se
Years	-0.066***	-5.169***	-0.066***	-5.172***
	(0.009)	(0.450)	(0.009)	(0.452)
Years^2		0.181***		0.182***
		(0.022)		(0.022)
Hispanic caseload %	0.006	-0.057	0.006	-0.064
	(0.007)	(0.175)	(0.007)	(0.177)
Gov't liberalism	0.017+	0.177	0.017+	0.177
	(0.010)	(0.286)	(0.010)	(0.286)
Cit. liberalism	-0.012	0.077	-0.012	0.073
	(0.015)	(0.444)	(0.015)	(0.443)
Fiscal stress	-0.018*	-0.447***	-0.018*	-0.448***
	(0.008)	(0.123)	(0.008)	(0.123)
Unemployment rate	0.046***	0.740***	0.045***	0.745***
	(0.008)	(0.219)	(0.008)	(0.218)
Unmarried births	-0.008	0.739**	-0.008	0.743**
	(0.011)	(0.266)	(0.011)	(0.267)
Poverty rate		0.334*		0.333*
		(0.155)		(0.155)
Time invariant				
White stereotyping of blacks	-0.031+	-1.063***	-0.028+	-1.101***
	(0.016)	(0.290)	(0.015)	(0.252)
Hispanic caseload % (state mean)	-0.004	-0.005	-0.007	0.003
	(0.009)	(0.203)	(0.009)	(0.199)
Gov't liberalism (state mean)	0.066	0.786	0.054	0.551
	(0.045)	(0.747)	(0.039)	(0.650)
Cit. liberalism (state mean)	0.196**	0.369	0.203***	0.621
	(0.064)	(1.255)	(0.056)	(1.192)
Fiscal stress (state mean)	2.633**	24.871	2.628**	22.945
	(0.952)	(20.445)	(1.017)	(19.789)
Unemployment (state mean)	-0.134*	-2.342	-0.059	-2.010
	(0.067)	(1.283)	(0.066)	(1.203)
Poverty (state mean)		0.090		-0.089
		(0.613)		(0.543)
Unmarried births (state mean)	0.018	-0.005	-0.019	-0.184
	(0.018)	(0.457)	(0.021)	(0.479)
Individualistic	0.068	-0.043	0.930+	6.559
	(0.187)	(3.758)	(0.562)	(9.934)
Traditionalistic	-0.577**	-3.113	0.444	6.889
	(0.212)	(3.762)	(0.576)	(10.046)
Random component				
Variance(Years)	0.001	0.231	0.001	0.231
	(0.0003)	(0.296)	(0.0003)	(0.296)
Variance(Constant)	0.173	14.816	0.183	13.056
	(0.051)	(28.517)	(0.039)	(26.839)
Covariance(Years, cons)	-0.005	-0.034	-0.005	0.171
	(0.003)	(2.274)	(0.003)	(2.250)
AR(1) Residual				
ρ	0.329	0.690	0.328	0.691
	(0.096)	(0.093)	(0.096)	(0.093)
Variance	0.072	81.227	0.072	81.299
	(0.013)	(24.354)	(0.012)	(24.323)
Log likelihood	-145.314	-2564.460	-146.423	-2564.344
BIC	436.734	5294.95	438.952	5294.717

N=766 (48 states in 16 years. Two observations treated as missing.)
Cluster robust standard errors in parentheses.
Effort-to-need dependent variable log transformed.
$+p < 0.01, *p < 0.05 **p < 0.01 ***p < 0.001$

APPENDIX C

Supplementary Information & Analyses for Chapter 3

State-year Categorical Spending

Chapter 3 presented descriptive statistics for state-year TANF spending as the proportion of all state-years in the sample (n=700) in which any spending in a given category was observed. Table C.1 presents a more detailed version of this data expressed as counts of years within each state with spending in the given category. As can be seen, there are some categories (e.g., basic assistance, work/services/childcare) in which almost all states spend in almost all years. There are other categories, however, where spending is much more varied, creating analytical complications addressed with alternative methods of analysis.

Alternative Analytical Approach: Fractional Outcome Models

As noted in several places in this dissertation, percentage data is bounded and can follow an unusual distribution, violating linear regression assumptions. There are classes of models specifically for this kind of data, however. In Tables C.2 through C.9, I present models of the proportion of total TANF resources devoted to each expenditure area for

Table C.1: Count of years in which each state used funds in each expenditure category, 2000-2013.

State	Basic assistance	Work, services, childcare	Tax credits	Short-term benefits	Pregnancy/ 2 parent	SSBG transfers	Misc.	Admin.
Alabama	14	14	0	6	14	14	14	14
Alaska	14	14	0	14	14	14	8	14
Arizona	13	14	0	8	14	10	14	13
Arkansas	14	14	0	4	5	14	14	13
California	14	14	0	13	13	14	14	14
Colorado	14	14	12	14	13	12	14	12
Connecticut	14	14	0	13	14	14	14	14
Delaware	14	14	0	8	10	7	5	14
Florida	14	14	0	14	14	14	14	14
Georgia	14	14	0	7	9	13	13	13
Hawaii	14	14	0	5	14	5	6	14
Idaho	14	14	0	13	14	12	14	14
Illinois	14	14	10	3	14	8	14	14
Indiana	14	14	14	1	11	11	14	14
Iowa	14	14	6	14	14	14	12	14
Kansas	14	14	13	4	14	3	14	14
Kentucky	14	14	0	0	2	3	14	14
Louisiana	14	14	4	2	12	14	14	14
Maine	14	14	4	14	12	1	7	14
Maryland	14	14	11	11	14	14	8	12
Massachusetts	14	14	14	14	14	14	14	14
Michigan	14	14	8	11	14	14	14	14
Minnesota	14	14	14	14	13	10	14	14
Mississippi	14	14	0	2	14	14	14	14
Missouri	14	14	0	7	14	8	14	14
Montana	14	14	0	9	14	10	14	14
Nebraska	14	14	7	1	1	8	8	14
Nevada	14	14	0	9	12	3	14	11
New Hampshire	14	14	0	7	10	14	14	14
New Jersey	14	14	13	12	14	14	12	14
New Mexico	14	14	8	0	4	9	14	14
New York	14	14	14	13	14	13	14	14
North Carolina	14	14	5	14	14	13	14	14
North Dakota	14	14	0	8	0	13	14	14
Ohio	14	14	1	14	14	14	13	14
Oklahoma	14	14	0	13	14	13	13	14
Oregon	14	14	10	0	0	6	14	14
Pennsylvania	14	14	0	14	13	14	14	14
Rhode Island	14	14	7	14	12	0	14	14
South Carolina	14	14	0	0	10	14	14	14
South Dakota	14	14	0	2	14	6	14	14
Tennessee	14	14	0	0	7	3	13	14
Texas	14	14	0	14	13	14	14	14
Utah	14	14	0	14	14	14	12	13
Vermont	14	14	14	14	14	0	5	14
Virginia	14	14	0	14	14	14	14	14
Washington	14	14	0	14	14	10	14	14
West Virginia	14	14	0	13	14	12	14	14
Wisconsin	14	14	14	14	14	13	13	14
Wyoming	14	14	0	1	10	0	14	13

Source: author's calculation based on Center on Budget and Policy Priorities data.

2001, 2006, and 2013 using fractional logit models. The fractional logit model is identical to the traditional logit model but, rather than analyzing a 0/1 binary outcome, analyzes data distributed in the [0,1] interval (Papke & Wooldridge, 1996). Zeroes are treated as actual reports of zero rather than as a discrete choice. Results of these models generally support findings from Chapter 3. The major difference concerns fiscal stress and Social Services Block Grant transfers; in these models, fiscal stress is not related to the *amount* of TANF funds transferred to SSBG. Chapter 3 suggests, however, that it is related to the *decision* to transfer from one block grant to the other.

Table C.2: Basic cash assistance proportion model mean marginal effects.

	2001	2006	2012
White stereotyping of blacks	-0.00732*	-0.00953**	-0.00862**
	(0.00336)	(0.00333)	(0.00332)
Evangelical %	-0.00256	0.0000379	0.00163
	(0.00231)	(0.00199)	(0.00232)
Hispanic caseload %	-0.000815	0.000193	-0.000869
	(0.00112)	(0.00124)	(0.00146)
Gov't liberalism	0.0261***	-0.000826	-0.00556
	(0.00607)	(0.00669)	(0.00877)
Cit. liberalism	-0.00643	0.00297	0.0201
	(0.0144)	(0.0150)	(0.0165)
Unemployment	-0.0377*	-0.00634	0.0113
	(0.0177)	(0.0110)	(0.0113)
Foster care ratio	0.0125*	0.0106	0.00472
	(0.00602)	(0.0102)	(0.00617)
Fiscal stress	0.0941	0.154	0.0912
	(0.127)	(0.196)	(0.213)
Poverty	0.00790	0.00153	-0.00534
	(0.00609)	(0.00673)	(0.00672)
n	50	50	50
Pseudo R^2	0.027	0.016	0.015

Robust standard errors in parentheses.

$^{+}$ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table C.3: Work/services/childcare proportion model mean marginal effects.

	2001	2006	2012
White stereotyping of blacks	0.00708*	-0.00244	0.00109
	(0.00287)	(0.00497)	(0.00549)
Evangelical %	0.000963	-0.00172	-0.000662
	(0.00123)	(0.00264)	(0.00360)
Hispanic caseload %	-0.00120	-0.00277**	-0.00356*
	(0.000981)	(0.00101)	(0.00138)
Gov't liberalism	-0.00390	0.0269**	0.0143
	(0.00627)	(0.00975)	(0.0110)
Cit. liberalism	0.00586	-0.0253	-0.0129
	(0.00986)	(0.0155)	(0.0196)
Unemployment	0.0223	0.00978	-0.0124
	(0.0166)	(0.0191)	(0.0146)
Foster care ratio	-0.00396	-0.0114	-0.00213
	(0.00562)	(0.00727)	(0.00968)
Fiscal stress	0.327*	0.00922	-0.0257
	(0.145)	(0.234)	(0.276)
Poverty	0.00118	0.00641	0.00628
	(0.00546)	(0.00832)	(0.0105)
n	50	50	50
Pseudo R^2	0.021	0.018	0.018

Robust standard errors in parentheses.

$^{+}$ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table C.4: Administration proportion model mean marginal effects.

	2001	2006	2012
White stereotyping of blacks	-0.000247	-0.000718	-0.00218*
	(0.000938)	(0.00118)	(0.00109)
Evangelical %	-0.000824	0.000802	0.0000790
	(0.000728)	(0.000784)	(0.000540)
Hispanic caseload %	-0.000522	-0.000143	-0.000426
	(0.000401)	(0.000476)	(0.000331)
Gov't liberalism	-0.00101	-0.000616	-0.00227
	(0.00269)	(0.00302)	(0.00195)
Cit. liberalism	0.00338	0.00556	-0.00122
	(0.00627)	(0.00472)	(0.00359)
Unemployment	-0.00257	-0.00865*	-0.0000757
	(0.00958)	(0.00359)	(0.00214)
Foster care ratio	-0.00763*	-0.000544	-0.000720
	(0.00376)	(0.00197)	(0.00243)
Fiscal stress	-0.0813*	-0.0539	-0.0405
	(0.0412)	(0.106)	(0.0547)
Poverty	-0.000917	0.00123	0.000950
	(0.00268)	(0.00317)	(0.00156)
n	50	50	50
Pseudo R^2	0.009	0.002	0.005

Robust standard errors in parentheses.

$^{+}$ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table C.5: APL/other proportion model mean marginal effects.

	2001	2006	2012
White stereotyping of blacks	0.000684	0.00395	-0.00675
	(0.00293)	(0.00517)	(0.00485)
Evangelical %	0.00372^{+}	0.00559*	0.00598*
	(0.00205)	(0.00258)	(0.00301)
Hispanic caseload %	0.00330**	0.00313*	0.00290
	(0.00103)	(0.00138)	(0.00181)
Gov't liberalism	-0.0209**	-0.0262*	-0.0175
	(0.00674)	(0.0102)	(0.0112)
Cit. liberalism	-0.00847	0.0143	0.0125
	(0.0145)	(0.0175)	(0.0191)
Unemployment	0.0426*	0.00919	0.0343*
	(0.0202)	(0.0211)	(0.0162)
Foster care ratio	0.00276	0.000189	-0.00934
	(0.00672)	(0.00866)	(0.0107)
Fiscal stress	-0.332*	-0.277	-0.355
	(0.141)	(0.243)	(0.406)
Poverty	-0.0116^{+}	-0.0101	-0.00684
	(0.00623)	(0.0101)	(0.0112)
n	50	50	50
Pseudo R^2	0.069	0.053	0.051

Robust standard errors in parentheses.

$^{+}$ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table C.6: SSBG transfers proportion model mean marginal effects.

	2001	2006	2012
White stereotyping of blacks	0.000725	0.000514	0.000319
	(0.000850)	(0.000856)	(0.000923)
Evangelical %	-0.000174	-0.000269	-0.00117*
	(0.000597)	(0.000487)	(0.000514)
Hispanic caseload %	0.00000785	-0.000265	-0.000261
	(0.000315)	(0.000323)	(0.000347)
Gov't liberalism	-0.000441	-0.00161	-0.00135
	(0.00188)	(0.00181)	(0.00172)
Cit. liberalism	-0.00269	0.000212	-0.00119
	(0.00377)	(0.00351)	(0.00380)
Unemployment	-0.00843	-0.00443	-0.00185
	(0.00589)	(0.00390)	(0.00271)
Foster care ratio	-0.00111	0.00169	0.00412+
	(0.00208)	(0.00189)	(0.00240)
Fiscal stress	0.0180	0.112	0.00297
	(0.0283)	(0.0733)	(0.0470)
Poverty	-0.000773	0.00226	0.00229
	(0.00174)	(0.00209)	(0.00155)
n	50	50	50
Pseudo R^2	0.007	0.010	0.014

Robust standard errors in parentheses.

$^{+}$ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table C.7: Tax credits proportion model mean marginal effects.

	2001	2006	2012
White stereotyping of blacks	0.00145	0.00208	0.00575*
	(0.000954)	(0.00282)	(0.00233)
Evangelical %	-0.00134+	-0.00217+	-0.00300+
	(0.000810)	(0.00113)	(0.00178)
Hispanic caseload %	0.0000712	-0.000449	0.00169*
	(0.000303)	(0.000432)	(0.000732)
Gov't liberalism	-0.00315+	-0.00784*	-0.00524
	(0.00173)	(0.00351)	(0.00727)
Cit. liberalism	0.00295	0.00976	0.0142
	(0.00308)	(0.00916)	(0.0128)
Unemployment	-0.00113	0.00233	-0.0151*
	(0.00353)	(0.00675)	(0.00747)
Foster care ratio	0.0000953	0.00173	0.0107+
	(0.00172)	(0.00492)	(0.00553)
Fiscal stress	0.0650*	0.0477	0.149
	(0.0329)	(0.265)	(0.165)
Poverty	-0.00206	-0.00107	-0.00271
	(0.00208)	(0.00629)	(0.00429)
n	50	50	50
Pseudo R^2	0.134	0.117	0.103

Robust standard errors in parentheses.

$^{+}$ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table C.8: Short-term benefits proportion model mean marginal effects.

	2001	2006	2012
White stereotyping of blacks	-0.000682	-0.000160	0.000457
	(0.000491)	(0.000458)	(0.00101)
Evangelical %	0.000268	-0.000262	0.000383
	(0.000252)	(0.000207)	(0.000858)
Hispanic caseload %	-0.0000531	-0.000286^{+}	0.000152
	(0.000136)	(0.000153)	(0.000263)
Gov't liberalism	-0.000781	-0.000759	-0.000161
	(0.00119)	(0.000971)	(0.00268)
Cit. liberalism	0.0000226	0.00389^{+}	0.00402
	(0.00181)	(0.00232)	(0.00526)
Unemployment	-0.00341	0.000307	-0.00313
	(0.00330)	(0.00189)	(0.00222)
Foster care ratio	-0.000302	-0.00359*	-0.00410^{+}
	(0.000794)	(0.00169)	(0.00245)
Fiscal stress	-0.00333	-0.0732^{+}	-0.0152
	(0.0200)	(0.0397)	(0.0510)
Poverty	-0.000130	-0.000314	-0.00148
	(0.000804)	(0.00113)	(0.00199)
n	50	50	50
Pseudo R^2	0.030	0.050	0.031

Robust standard errors in parentheses.

$^{+}$ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table C.9: Pregnancy prevention/two-parent family proportion model mean marginal effects.

	2001	2006	2012
White stereotyping of blacks	0.000524	0.00579**	0.00895*
	(0.00129)	(0.00189)	(0.00420)
Evangelical %	-0.000384	-0.00176*	-0.00158
	(0.000592)	(0.000698)	(0.00168)
Hispanic caseload %	-0.000598	0.000789	0.000463
	(0.000450)	(0.000664)	(0.00140)
Gov't liberalism	-0.00243	0.00444	0.0131
	(0.00247)	(0.00280)	(0.00963)
Cit. liberalism	0.00973	-0.00759	-0.0369^{+}
	(0.00809)	(0.00583)	(0.0192)
Unemployment	0.00242	0.00676	-0.00301
	(0.00828)	(0.00620)	(0.0132)
Foster care ratio	-0.00509	0.00250	-0.00510
	(0.00400)	(0.00274)	(0.00800)
Fiscal stress	-0.0662	0.0591	0.263
	(0.0559)	(0.0875)	(0.253)
Poverty	0.00345^{+}	-0.00513	-0.00507
	(0.00190)	(0.00357)	(0.00761)
n	50	50	50
Pseudo R^2	0.070	0.124	0.114

Robust standard errors in parentheses.

$^{+}$ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

APPENDIX D

Addressing the Fiscal Stress Paradox

The conflicting findings regarding the role of fiscal stress in basic assistance spending between Chapter 2 and Chapter 3 are unexpected. A possible explanation is that the role of fiscal stress changes over time and is, in turn, detected differently in the models treating time continuously (Chapter 2) and categorically (Chapter 3). Table D.1 provides some evidence for this proposition. It splits the effort-to-need and percentage models presented in Chapter 2 by time, prior to 2007 and 2007 and later. Fiscal stress is not statistically significant with either dependent variable in the early years of TANF, but is statistically significant for both from 2007 on. Strikingly, that period also includes the "Great Recession," precisely when demand for cash benefits might be expected to increase. These analyses are a preliminary attempt at resolving the conflicting findings, however, and more examination is warranted before drawing further conclusions.

Table D.1: Basic assistance growth curve model parameters, sample split by time (pre-2007 and 2007+).

	Effort-to-need		*Percentage*	
	Pre-2007	2007+	Pre-2007	2007+
Fixed component				
Time varying				
	b/se	b/se	b/se	b/se
Years	-0.072***	-0.065***	-7.998***	-4.850
	(0.019)	(0.011)	(0.829)	(3.857)
Years^2			0.687***	0.161
			(0.103)	(0.156)
Hispanic caseload %	0.007	0.007	0.133	0.167
	(0.008)	(0.009)	(0.221)	(0.168)
Gov't liberalism	0.022	0.010	0.414	-0.012
	(0.017)	(0.012)	(0.399)	(0.246)
Cit. liberalism	0.032	-0.044**	0.347	-0.996*
	(0.027)	(0.016)	(0.545)	(0.481)
Fiscal stress	-0.018	-0.018***	-0.445	-0.366**
	(0.018)	(0.005)	(0.268)	(0.119)
Unemployment rate	0.033	0.046***	2.162***	0.439
	(0.019)	(0.009)	(0.479)	(0.256)
Unmarried births	0.012	0.006	-0.333	0.830*
	(0.020)	(0.018)	(0.430)	(0.408)
Poverty rate			0.583*	-0.166
			(0.242)	(0.189)
Time invariant				
White stereotyping of blacks	-0.050**	-0.061**	-1.292***	-1.505***
	(0.019)	(0.021)	(0.260)	(0.282)
Hispanic caseload % (state mean)	-0.011	-0.012	-0.196	-0.302
	(0.011)	(0.011)	(0.243)	(0.201)
Gov't liberalism (state mean)	0.024	0.057	0.539	0.726
	(0.050)	(0.062)	(0.856)	(1.020)
Cit. liberalism (state mean)	0.271***	0.298***	0.332	0.238
	(0.065)	(0.078)	(1.500)	(1.555)
Fiscal stress (state mean)	0.962	0.739	29.002	10.871
	(1.269)	(1.545)	(20.881)	(16.010)
Unemployment (state mean)	-0.058	-0.036	-3.328*	-0.113
	(0.094)	(0.094)	(1.432)	(1.309)
Poverty (state mean)			-0.861	0.102
			(0.619)	(0.554)
Unmarried births (state mean)	-0.015	-0.013	1.270*	-0.010
	(0.026)	(0.026)	(0.601)	(0.536)
Random component				
Variance(Years)	0.001	0.0001	0.071	0.361
	(0.0009)	(0.00009)	(0.261)	(0.209)
Variance(Constant)	0.260	0.262	22.013	42.244
	(0.078)	(0.062)	(16.757)	(13.920)
Covariance(Years, cons)	-0.006	0.005	1.253	3.907
	(0.005)	(0.003)	.	(0.991)
AR(1) Residual				
ρ	0.217	0.501	0.586	0.531
	(0.082)	(0.158)	(0.101)	(0.118)
Variance	0.080	0.057	76.149	30.195
	(0.024)	(0.016)	(15.107)	(7.125)
Log likelihood	-145.928	-21.694	-1547.642	-1091.389
BIC	413.995	160.490	3229.638	2317.444

N=449 pre-2007 (50 states in 9 years. One observation treated as missing.)
N=349 2007+ (50 states in 7 years. One observation treated as missing.)
Cluster robust standard errors in parentheses.
$+p < 0.01, *p < 0.05$ $**p < 0.01$ $***p < 0.001$

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